Statistics Canada Statistique Canada

Statistics Canada

Departmental Performance Report

For the
Period ending
March 31, 2007

Minister of Industry

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FINANCIAL STATEMENTS

Section I: Overview

Minister's Message

I am pleased to present Statistics Canada's *Departmental Performance Report* for 2006–07.

My goal as Minister of Industry, and one of the top priorities of Canada's New Government, is to ensure we maintain a strong economic environment — one that allows Canadians to prosper in the global economy. We are seeing great changes in the international marketplace. New trade agreements, rapidly advancing technologies and the emergence of developing countries are all contributing to today's business environment. Canada needs to keep pace.

Part of my mandate is to help make Canadians more productive and competitive. We want our industries to continue to thrive and all Canadians to continue to enjoy one of the highest standards of living in the world.

For this to happen, the government is committed to maintaining a fair, efficient and competitive marketplace — one that encourages investment, sets the stage for greater productivity, and facilitates innovation. We are relying on market forces to a greater extent, regulating only when it is absolutely necessary. Our policies have helped turn research into new products and business processes. In addition, we are making efforts to increase awareness of sustainability practices among Canadian industry, emphasizing the social, environmental and economic benefits they bring.

The Department and the Industry Portfolio have made progress on a wide range of issues this past year, most notably in the areas of telecommunications, science and practical research, manufacturing, small business, consumer protection, patents and copyrights, tourism and economic development.

The Industry Portfolio is composed of Industry Canada and 10 other agencies, Crown corporations and quasi-judicial bodies. These organizations collectively advance Canada's industrial, scientific and economic development, and help ensure that we remain competitive in the global marketplace.

We have accomplished much this year. Using *Advantage Canada* — the government's long-term economic plan — as our roadmap, we have made great strides toward many of our most important goals. We will continue to focus on these goals to support the conditions for a strong economy — an environment that Canadians expect and deserve.

Jim Prentice
Minister of Industry

Management Representation Statement

I submit for tabling in Parliament, the 2006–2007 Report Departmental Performance Report for Statistics Canada.

This document has been prepared based on the reporting principles contained in the *Guide for the Preparation of Part III of the 2006–2007 Estimates: Reports on Plans and Priorities and Departmental Performance Reports*:

- It adheres to the specific reporting requirements outlined in the Treasury Board Secretariat guidance;
- It is based on the department's approved Strategic Outcome(s) and Program Activity Architecture that were approved by the Treasury Board;
- It presents consistent, comprehensive, balanced and reliable information;
- It provides a basis of accountability for the results achieved with the resources and authorities entrusted to it; and
- It reports finances based on approved numbers from the Estimates and the Public Accounts of Canada.

Name: _____

Title: Chief Statistician of Canada

Summary Information

Statistics Canada (STC)

Reason for existence - Statistics Canada's mandate is to provide Canadians with objective and non-partisan statistics and statistical products, services and analyses on Canada's economy and society which are relevant, responsive to emerging issues, fulfill legal requirements and are of high quality.

Financial Resources ($ thousands)

2006-2007		
Planned Spending	**Total Authorities**	**Actual Spending**
598,802	643,299	619,520

Human Resources (Full-time equivalent – FTE)

2006-2007		
Planned	**Actual**	**Difference**
6,242	6,330	88

Summary of Performance in Relationship to Departmental Strategic Outcomes, Priorities and Commitments

Strategic Outcomes

Provide Canadians with objective and non-partisan statistics and statistical products, services and analyses on Canada's economy and society which are relevant, responsive to emerging issues, fulfill legal requirements and are of high quality.

Specific Priorities / Commitments (not in Main Estimates)	2006-2007			
	Planned Spending[1]	Total Authorities[2]	Actual Spending	Expected Results and Current Status
Economic Statistics				
Modernizing Customs & Trade	319	319	319	pp. 15
Environmental Indicators	2,056	2,856	2,818	pp. 15
Business Register Redesign	3,125[3]	2,456	2,538	pp. 35
Greenhouse Gas	650	451	619	pp. 16
Services Price Index	2,239	2,149	2,152	pp. 16
Social Statistics				
Child-centered Family Law Strategy	765	765	681	pp. 25
Health Statistics Program	17,825	14,575	13,986	pp. 22
Census Statistics				
2006 Census (Population and Agriculture)	225,735	235,235	241,641	pp. 31

1. Planned spending corresponds to the reference levels submitted when the 2006-07 RPP was completed and does not include changes in funding that took place during the year.
2. Total Authorities shows the revised reference level and reflects the changes since the RPP was submitted.
3. The planned spending reported in the previous year's Performance Report showed the total budget ($14,159K) for the Business Register, instead of the redesign portion only.

Overall Departmental Performance

Mandate, Roles and Responsibilities

Statistics Canada's mandate derives primarily from the *Statistics Act*. The Act requires the Department, under the direction of the Minister of Industry, to collect, compile, analyze and publish statistical information on the economic, social and general conditions of the country and its citizens. These activities are fundamentally important to an open, democratic society as they provide objective information to Canadians and their elected representatives on the evolution of our society and economy. The Department's information resources are also used by businesses, unions and non-profit organizations to make informed decisions.

Statistics Canada's mandate also provides for the coordination and leadership of the country's statistical system. This has led Statistics Canada to form many partnerships at the federal, provincial and territorial levels. These partnerships have benefited Canadians in many ways: improved data quality through more comparable survey methods; reduced response burden through the use of administrative records and data sharing; and the exchange of best practices among all participants are just a few examples.

The census and statistics are recognized in the Constitution Act, 1867 as an area of federal jurisdiction. The statistics produced by the Department are used for a wide variety of statutory and regulatory purposes, including the distribution of federal funds to provinces *(Federal-Provincial Fiscal Arrangements Act)*; apportioning federal-provincial tax revenues (Harmonized Sales Tax); indexing various types of federal payments to beneficiaries and income tax credits *(Income Tax Act)*; determining areas of eligibility for supplementary benefits *(Employment Insurance Act)*; determining the distribution of parliamentary seats among provinces and defining federal electoral districts *(Electoral Boundaries Readjustment Act)*; designating federal bilingual services areas *(Official Languages Act)*; and measuring the size of sub-populations that are the focus of the federal employment equity program *(Employment Equity Act)*. A complete list of the federal acts that depend on specific information collected or provided by the Department is presented in Section IV of this document.

Organization

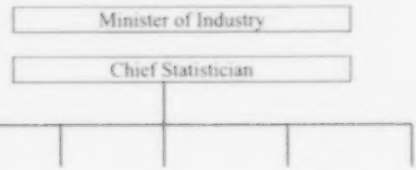
The Minister of Industry is the Minister responsible to Parliament for Statistics Canada. The Department is headed by the Chief Statistician of Canada who is supported by seven Assistant Chief Statisticians (ACSs): four are responsible for statistical program areas and three for technical and management services in support of the statistical programs. Table 1 on the following page provides an overview of the organization and resources allocated by program activity.

The statistics produced by Statistics Canada constitute a pivotal element in informing national policy formulation. A large portion of Statistics Canada's program of activities is devoted to meeting the needs of federal, provincial and territorial government policy departments, and providing on-going measurement of Canadian socio-economic dynamics and emerging trends

in support of the Government's agenda for transparent, accountable and evidence-based program management.

Statistics Canada

Table 1: 2006-2007 Resource Requirements by Organization and Program Activity



Program Activity	ACS Social Institutions and Labour Statistics	ACS Business and Trade Statistics	ACS National Accounts and Analytical Studies	ACS Analysis and Development	ACS Communications and Operations	ACS Informatics and Methodology	ACS Management Services	Sub-Total	Vote Netted Revenues	Total
	(thousands of dollars)									
Economic Statistics	7	87,133	31,692	-	38,563	38,675	20,693	216,763	33,911	182,852
	550	*92,388*	*36,065*	-	*37,071*	*48,214*	*13,970*	228,257	*23,420*	*204,837*
	625	**87,347**	**34,515**	**-**	**35,907**	**44,510**	**12,941**	**215,845**	**20,974**	**194,871**
Social Statistics	71,754	479	396	25,656	76,004	33,420	9,868	217,577	77,594	139,982
	61,561	*649*	*414*	*26,095*	*73,662*	*40,624*	*12,795*	215,800	*64,149*	*151,651*
	48,351	**756**	**478**	**24,698**	**70,144**	**36,774**	**11,863**	**193,064**	**56,257**	**136,807**
Census Statistics	103,092	10,720	-	-	138,631	31,593	10,427	294,463	18,495	275,968
	77,617	*8,881*	-	-	*185,763*	*39,829*	*17,152*	*329,242*	*42,431*	*286,811*
	77,448	**7,374**	**-**	**-**	**184,734**	**38,304**	**16,533**	**324,393**	**36,551**	**287,842**
Total	174,853	98,332	32,088	25,656	253,198	103,688	40,988	728,802	130,000	598,802
	139,728	*101,918*	*36,479*	*26,095*	*296,496*	*128,666*	*43,917*	*773,299*	*130,000*	*643,299*
	126,424	**95,477**	**34,993**	**24,698**	**290,785**	**119,588**	**41,337**	**733,302**	**113,782**	**619,520**

1. ACS signifies Assistant Chief Statistician
2. Numbers in normal font denote Main estimate levels in 2006-2007.
3. *Numbers in italics denote Total authority in 2006-2007.*
4. **Numbers in bold denote Actual expenditures/revenues in 2006-2007.**

In addition to the functional organizational structure as presented above, Statistics Canada manages its statistical programs employing a matrix structure to govern the way it plans its operations, and allocates and manages its resources. For example, for a given statistical program, the lead program area will call upon the specialized service areas for expertise in survey methodology, systems developments, survey collection and processing, etc. This matrix structure has enabled Statistics Canada to consolidate its infrastructure functions to achieve efficiencies, to increase flexibility, and to maintain centres of technical expertise. Financial resources are managed both from a statistical program viewpoint as well as from a service area (functional) viewpoint. The Department also uses ad hoc project teams to creatively solve technical or program challenges. These project teams are multi-disciplinary and cut across program and organizational lines.

Partnerships

Partnerships and cost-sharing arrangements with other departments, other jurisdictions and external organizations, have been an intrinsic aspect of program delivery since the eighties. These relationships are essential to the development of effective business plans. Statistics Canada has continued to foster these arrangements over the reporting period, as they have proven to serve not only the needs of the stakeholders but also those of the national statistical system and the Canadian research community. Selected partnership initiatives include:

- The Department provides *provincial and territorial statistical focal points* with a wide array of information products to serve the statistical information needs of their respective administrations.

- In the area of health statistics, Statistics Canada's priorities are developed in conjunction with *Health Canada*, the *Canadian Institute for Health Information (CIHI)*, the Federal/Provincial/Territorial Conference of *Deputy Ministers of Health Advisory Committee on Governance and Accountability*, the *Public Health Agency of Canada*, and other related organizations.

- The *Canadian Education Statistics Council* is a joint management body consisting of members from Statistics Canada and the Council of Ministers of Education. The council, comprising the Chief Statistician and provincial/territorial deputy ministers of education, provides advice to the Chief Statistician on the Department's Education Statistics Program.

- The *Justice Information Council* comprises the Chief Statistician and the federal and provincial deputy ministers responsible for justice policies and programs. The council provides advice to the Chief Statistician on the justice statistics program at the Canadian Centre for Justice Statistics within Statistics Canada.

Public Commitments and Values

Statistics Canada's values

The Department recognizes that the goodwill of survey respondents is one of Statistics Canada's most valuable assets, since it is the continued cooperation of Canadians that enables the Department to turn survey results into reliable information. We make two fundamental commitments to them: First, to protect the **confidentiality** of information provided to us. Second, to find innovative ways to **reduce the time spent** completing the surveys and to use existing information whenever possible to minimize the number of surveys. Indeed, a declining trend in response burden is presented in Section IV of this document (page 61), Other Items of Interest.

Operating Environment and Challenges

Close to 95% of Statistics Canada's entire budget is allocated to statistical programs that support statutory requirements, regulatory instruments and contractual obligations. To shape priorities beyond those identified in the heading "Partnerships", the Department seeks guidance from stakeholders, chief of which is the National Statistics Council. A network of advisory committees in major statistical areas also helps to ensure that program outputs are relevant. A risk based planning system is in place to balance the many and often conflicting priorities and to monitor the progress of approved initiatives. The Department's planning and performance monitoring system maintains the effectiveness of its statistical programs by linking strategic and operational plans and program performance to the resource allocations made and the results to be achieved. Priorities are defined as those programs and technical or management areas most in need of attention over the planning period.

In 2006-2007, a number of initiatives were considered as priorities in the Department: the 2006 Censuses of Population and Agriculture; the Health Statistics Program; the Environmental Statistics Program;. In this report, Section II, Analysis of Performance by Strategic Outcome, provides a description of results obtained for departmental priorities and other important initiatives. The information is presented using the Department's Quality Assurance Framework and Strategic Outcomes as presented in the 2006-2007 Report on Plans and Priorities.

Section II: Analysis of Program Activities by Strategic Outcome

Statistics Canada's fundamental purpose is the production of relevant and reliable statistical information. Confidence in the quality of that information is essential. If the information becomes suspect, the credibility of the Department is called into question and its reputation as an independent, objective source of trustworthy information is undermined. Managing the quality of statistical information therefore plays a central role within the overall management of the Department.

The Department defines the quality of statistical information in terms of its "fitness for use". To measure information quality, the Department uses the six dimensions of its Quality Assurance Framework (www.statcan.ca/bsolc/english/bsolc?catno=12-586-X&CHROPG=1) as defined below.

Performance Criteria	Definition	Ref. Page
Relevance of Information	The degree to which statistical information meets the needs of clients. Information must shed light on the issues of most importance to those who use it. The information produced is needed to support policy formulation and decision-making or to meet emerging issues. Changes are also made to statistical programs, based on external advice, to produce more relevant information for the users.	14-33
Accuracy of Information	The degree to which that statistical information correctly describes the phenomena it was designed to measure. It is usually characterized in terms of statistical estimate errors and is traditionally decomposed into bias (systematic error) and variance (random error) components. It may also be described in terms of the major sources of error that potentially cause inaccuracy: incomplete survey coverage, sampling error, nonresponse (as indicated by response rates), and statistical revision patterns.	34-41
Timeliness of Information	The delay between the end of the reference period to which the information pertains and the date on which the information becomes available. Adherence to pre-announced release dates for regular series is the Department's main performance measure of timeliness of information. These dates are clearly advertised for the coming year in Statistics Canada's website at www.statcan.ca.	42-43
Accessibility of Information	The ease with which statistical information can be obtained. This includes the ease as well as the suitability of the form or medium in accessing the information. Access through the Media and Access through the Internet are the two main performance indicators under this criterion.	44-48
Interpretability of Information	Depends on the availability of the supplementary information and metadata necessary to interpret and utilize statistical information appropriately. This information normally covers the underlying concepts, variables and classification used, the methodology of data collection and processing, and indications of the accuracy of the statistical information.	49
Coherence of Information	The degree to which statistical information can be successfully brought together with other statistical information within a broad analytic framework and over time. The use of standard concepts, classifications and target populations promotes coherence, as does the use of common methodology across surveys.	50-53

Relevance of Statistical Information

In the 2006-2007 Report on Plans and Priorities (RPP), the Department indicated that a number of activities were planned to ensure that statistical programs continue to provide statistical information to inform policy formulation and decision making (Section II of the RPP) as well as to meet emerging issues and new challenges. In addition, a number of changes to their statistical programs have been made as a result of direct client feedback and external advice.

This section provides a description of initiatives completed in 2006-2007 with regard to the relevance of statistical information. Survey findings have been summarized and for the reader interested in more detailed findings, a hyperlink to the Department's website has been provided. The information covers the three activities that form the program side of Statistics Canada's mandate: economic statistics; social statistics and census statistics.

The relevance section of this report highlights major achievements in new and emerging areas of statistical measurement. The Department publishes, as part of its ongoing program, statistical information for 29 major economic indicators (ex. Labour Force Survey, Consumer Price Index, Gross Domestic Product) and other statistics, which are highly relevant to Canadians as they are used to develop social, environmental, monetary and economic policies for Canada. A list of the 29 economic indicators is available at the following address: www.statcan.ca/english/Release/index.htm.

ECONOMIC STATISTICS

Modernizing Customs and Trade

Performance Criterion: Relevance

Produce information to required to meet new issues and emerging challenges

The funds received in fiscal year 2006-07 allowed the Tourism Statistics Program to undertake activities required for the Customs Border Modernization Initiatives. These activities included:

- Statistics Canada initiated the negotiations of our data requirements for the new stream of NEXUS travellers in order to put in place the means to: extract traveller and border crossing information available in or captured by the NEXUS system, confidentially transmit the data to Statistics Canada (STC) and process and integrate the data into the tourism statistics program. This activity should be completed in fiscal year 2007-08.
- A joint CBSA/STC working group is redesigning the customs declaration card to make it more scanner-friendly and automate the sorting of the cards at Statistics Canada. The main objectives of the redesign is to save processing time and money and eliminate the need to manually sort the cards before they are shipped by CBSA to Statistics Canada, as currently specified in the Memorandum of Understanding between the two organizations.
- CBSA is in the process of replacing the Primary Automated Lookup System (PALS) currently used at major land ports with a new system called the Integrated Primary Inspection Line (IPIL). Statistics Canada initiated discussions on changes to be made to the IPIL system in order to improve the quality of the data collected on incoming car travellers to Canada and to obtain data that better meet our requirements.

The data obtained from CBSA provide the most reliable statistics available on international travellers from and to Canada. These statistics are used to support studies on the economic impact of tourism and monitor the effectiveness of marketing campaigns. They are also used in the System of National Accounts, providing statistics for the Balance of payments and for the non-resident sector. The modernization activities have serious repercussions on the capacity of the Tourism Statistics Program to meet these data requirements, and on-going work is required on the part of the Tourism Statistics Program to ensure the production of relevant and accurate statistics that are consistent over time.

Environmental sustainability indicators

Performance Criterion: Relevance

Produce information to support informed policy formulation and decision making

Statistics Canada continues to work closely with Environment Canada and Health Canada to produce the annual Canadian Environmental Sustainability Indicators (CESI) report. This document informs Canadians about the air and freshwater quality in country. It also provides the latest information on greenhouse gas emissions from Canada, making it an important point of reference for the climate change analysis.

In November 2006, the second edition of this report was released to the public. The following are highlights of the paper:

- Greenhouse gas emissions have increased 27% between 1990 and 2004, to a level 35% higher than Kyoto targets. Rapid growth in the Canadian economy has contributed to the continued rise in greenhouse gases. In fact, overall emissions have jumped despite the fact that individual Canadian businesses have become more efficient, producing less greenhouse gas per unit of production.
- Exposure to ground-level ozone, a key component of smog, has inched up over the years. In Southern Ontario, where smog problems are the worst, there has been a clear upward trend in ozone concentrations. Although there has been no upward trend in exposure to another important smog component, "fine particulate matter", like ozone it is also present in higher concentrations in Southern Ontario.
- At one in five water quality monitoring sites in southern Canada, freshwater quality was determined to have a "poor" ability to support aquatic life. In northern, low populated, parts of the country no "poor" sites were reported. Generally as one moves downstream in the Great Lakes, water quality deteriorates. Water quality in Lake Superior was judged to be excellent, good in Lake Huron, and a mix of good to marginal in Lake Erie. The water in Lake Ontario was only "marginal" in its capacity to support aquatic life.

The November 2006 report is available via the link:
http://www.statcan.ca/Daily/English/061123/d061123c.htm

Services Producer Price Index (SPPI)

Performance Criterion: Relevance

Produce information required to meet new issues and emerging challenges

On March 29, 2005, funding was approved to develop the Services Producer Price Index (SPPI) over the next five years and fill one of the last major remaining gaps in price index coverage. The SPPI program already produces several series; accounting services, computer systems design, couriers and messengers services, data processing services, engineering services, software products development, long-distance wired telecommunications and traveler accommodation.

Significant progress was made over the last year. Price data are now being collected for wholesale services, truck transportation, non-residential rents and machinery and equipment rental and leasing.

Pilot tests were launched for price surveys in development for non-life insurance and retail services. Conceptual work and survey development has started for telephone and other telecommunications, other professional, scientific and technical services, rail transport of freight, rental of automobiles and trucks, and commissions, investment banking and securities dealing, and brokers.

Developing the SPPI program will result in a more accurate deflation of service activity in GDP, a more comprehensive and robust set of measures of inflation (goods *and* services are measured), and more appropriate international comparability in the areas of productivity, inflation and trade.

An Information System for Science and Technology (Data Gaps Initiative)

Performance Criterion: Relevance
Produce information to support informed policy formulation and decision making

Survey of Innovation 2005

The first results from the Survey of Innovation were released on June 2, 2006. A study of innovation and the global supply chains used the 2005 data to find that more than one half of manufacturing plants were involved in a global supply chain. Those plants that were large plants, or innovative, were more likely to be involved in global supply chains and innovative plants that were part of global supply chains were more likely to have world first innovations. A study by Industry Canada and UNU-MERIT found that plants that benefited both from R&D tax credits and R&D grants introduced more new products, made more world-first innovations, and were more successful in commercialization than their counterparts that benefited only from R&D tax incentives. A number of other studies are underway. Details on the release can be found at: www.statcan.ca/Daily/English/060602/d060602d.htm

An OECD project is aimed at comparing innovation in Canada with that in other OECD countries. Canada is committed to undertaking econometric modeling in order to study the link between innovation and productivity and a first phase of the project is completed. This extends work done with data from the Survey of Innovation 1999 which showed that while Canadian firms were more innovative than firms from selected European countries, the European firms made more money.

First findings from the **surveys of Intellectual Property Commercialization** in the Higher Education Sector (2004) and in the federal government (2004-2005) were released in *The Daily* on October 4, 2006. A striking result was that hospitals were found to have the highest average income for active licences ($29,000) compared to $25,000 for the higher education sector as a whole. Details on the release can be found at:
www.statcan.ca/Daily/English/061004/d061004a.htm

First findings from the **first survey of Business Incubators in Canada** were released in *The Daily* on March 27, 2006. Business incubators help firm make the first step towards commercial success. In 2005, there were at least 83 operating business incubators and they generated funds totalling over $45 million. Their almost 900 client firms raise revenues in excess of $93 million while creating full and part-time employment for over 13,000 persons. Another indicator of the positive impact of incubation firms was that 2,958 client companies had generated revenues at the end of the year. Details on the release can be found at:
www.statcan.ca/Daily/English/060327/d060327e.htm

Size and persistence of research and development performance in Canadian firms.

A study based on data from the Research and Development in Canadian Industry revealed that between 1994 and 2002, 31,190 firms performed research and development (R&D) for at least one year. The striking finding was that 41% of these firms performed less than $100,000 worth of R&D a year and were present for just one or two years. This raised questions about how the R&D was being performed and commercialized by these firms. This has given rise to a new project on understanding commercialization in the private sector.

Blue Sky II – What indicators for science, technology and innovation policies in the 21st century?

Performance Criterion: Relevance

Produce information required to meet new issues and emerging challenges

Over 250 experts from 25 countries gathered in Ottawa, on September 25-27 2006, to participate in the second Organisation for Economic Co-operation and Development (OECD) Forum to examine new areas for indicator development and to set a broad agenda for future work on science, technology and innovation (STI) indicators at the OECD, and in Canada. Emphasis was placed on indicators of outcomes and impacts in order to be able to tell the story about what happens when countries invest in R&D or innovation. In a keynote address the science advisor to the President of the United States, Dr. John Marburger, called for the creation of a new social science devoted to the science of science and innovation policy. This suggestion has been supported by U.S. National Science Foundation which is now funding research in the science of science policy. The Forum was an international collaboration sponsored by the OECD, the U.S. National Science Foundation, Industry Canada, and Statistics Canada. All of the papers are on the OECD web site and the influence of the Forum continues to grow.

Where are the scientists and engineers?

One of the directions of the Blue Sky Forum as towards better information on highly qualified people and this led to an analysis of the 2001 Census of Population data. It found that employed scientists and engineers (S&E) with earned doctorate degrees (PhD) were more concentrated in urban areas than the total employed Canadian labour force. Nine out of every ten science and engineering doctorate holders resided in a census metropolitan area (CMA). While this was not surprising, it was interesting that Canadian-born PhD holders were concentrated in non-S&E fields, whereas the immigrant PhDs were more heavily concentrated in S&E fields. The work will continue with 2006 Census of Population data. More detail can be found at: www.statcan.ca/Daily/English/070416/d070416b.htm

Socioeconomic Indicators of "Connectedness" (Data Gaps Initiative)

Performance Criterion: Relevance

Produce information required to meet emerging issues and new challenges

Use of Internet by individuals

The first results from the Canadian Internet Use Survey (CIUS) were published in August for Internet use and socio demographic characteristics of individuals and in November 2006 for individual involvement in e-commerce. This survey was redesigned in 2005 in response to shifts in national and international interests, in order to focus on individual Internet use and to provide better understanding and assessment of impacts of Internet on society. To ensure both financial viability of the survey and the wide use of the data, federal departments and agencies were sought as funding partners and as data users.

Two-thirds of adult Canadians surfed the Internet in 2005, and those living in larger cities were much more likely to have done so than those in rural areas and small towns. Only 58% of residents living in small towns or rural areas accessed the Internet, well below the 68% national average. The survey also showed that the Internet has changed the way many Canadians do business and interact with government. Roughly 6 of every 10 Internet users (58%) used it from home to conduct their banking online, 55% used it to pay bills and 43% made orders online.

Beyond those initial differences in Internet access though, there are significant gaps among various groups concerning frequency, intensity and type of activity. For instance, women (63%) were more likely than men (53%) to use Internet from home to search for medical or health related information. In contrast, men (56%) were more likely than women (48%) to use Internet from home to search for information on governments, especially in order to access government programs, download forms and file income taxes online.

Details on these releases can be found at: www.statcan.ca/Daily/English/060802/d060802a.htm and www.statcan.ca/Daily/English/061101/d061101a.htm

Individuals and e-commerce

The Canadian Internet Use Survey confirmed the growing popularity of on-line shopping. In 2005, almost 7 million Canadians aged 18 and over placed close to 50 million on-line orders for goods and services worth just over $7.9 billion. About three quarters of them reported paying directly over the Internet, this despite the fact that a vast majority of them remained concerned about Internet privacy and security. Slightly over 9 million logged on to do some window shopping. Travel services such as hotel reservations and car rentals were the most common type of order, followed closely by books, magazines, and digital products.

- Canadian vendors had a slight edge in on-line orders. About 57% of the electronic orders were placed with a Canadian vendor and these orders represented 63%, or just under $5 billion, of the total value of on line orders. However, there is a message about competitiveness in the fact that 37% of the value of the orders went abroad.

Fuel consumption module in the Canadian Vehicle Survey

Performance Criterion: Relevance
Produce information required to meet new issues and emerging challenges

The Canadian Vehicle Survey measures road use by vehicles registered in Canada. The fuel consumption module provides data on the actual amount of fuel consumed by individual Canadian vehicles and will facilitate better aggregate measures of fuel consumption, fuel demand and vehicle emissions. Actual measures of road motor vehicle fuel consumption and efficiency will become increasingly important, both from the perspective of greenhouse gas emission measurement and as international demand for fuels increases.

In January 2007, collection began on a larger sample of light vehicles in select census metropolitan areas (CMAs). This is to enable the production of annual estimates of vehicle fuel consumption for households at the CMA level.

Survey of Regulatory Compliance Costs

Performance Criterion: Relevance

Produce information required to meet emerging issues and new challenges

This survey was conducted on behalf of Industry Canada as part of the Government of Canada's Paperwork Burden Reduction Initiative (PBRI). The goal of this interdepartmental initiative is to identify ways of reducing paper burden on small businesses in Canada. Paper burden according to the Canadian Federation of Independent Business (CFIB) is reported to be one of the most significant irritants to businesses in Canada, especially smaller businesses which are least equipped to deal with regulatory burden.

The survey focuses on administrative compliance requirements such as completing forms and reporting information. It did not attempt to measure other regulatory burden components such as capital costs incurred to comply with regulations. Survey coverage was limited to 5 industrial sectors, 11 regulations, and small- and medium-sized establishments with fewer than 500 employees and revenues of between $30,000 and $50 million. Survey estimates are available for five regions: the Atlantic, Quebec, Ontario, the Prairies, and British Columbia. The five industrial sectors selected from the North American Industrial Classification System sectors were: manufacturing; retail; professional, scientific and technical services; accommodation and food services; and other services (except public administration). The 11 regulations in-scope for this survey are payroll remittances, record of employment, T4 summary/individual T4s, workers' compensation remittances and claims, T1/T2 income tax filing, federal/provincial sales taxes, corporate tax instalments, corporate registration, mandatory Statistics Canada surveys, municipal operating licences and permits and provincial licences and permits.

Small- and medium-sized businesses in five industrial sectors spent an estimated $1.53 billion last year filling out forms to comply with 11 key government information obligations. Businesses in these sectors account for approximately 40% of the revenue for small- and medium-sized businesses across all industrial sectors.

The survey also showed that as businesses become larger in terms of employment, total compliance cost increases, yet compliance costs per employee drop. Larger businesses also outsource a larger percentage of their compliance costs. Income tax filing accounted for 41%, or $627 million, of total compliance costs, followed by federal/provincial sales tax filing, which

represented 17%, or $268 million. Payroll remittances accounted for 14%. Other findings show significant regional variations in average annual compliance costs.

The government recently announced its commitment to reduce regulatory compliance costs by 20%. This survey will serve as a benchmark to establish the current cost of regulatory compliance. Repeat surveys every 3 years as part of an existing MOU with Industry Canada will allow the PBRI to determine whether future efficiency measures introduced by government are reducing the compliance burden facing businesses. For more information see the release at: http://www.statcan.ca/Daily/English/061212/d061212d.htm

SOCIAL STATISTICS

Health Statistics

Performance Criterion: Relevance

Produce information to support informed policy formulation and decision making

Projects initiated under the Canadian Health Information Roadmap were designed to produce new, timely and relevant information on the health of Canadians. This information is central to the relatively intense public discussion and policy formulation related to Canadians' health and to our health care system. Statistics Canada, in partnership with several organizations, has developed and produced critical information on emerging issues

- **Canadian's eating habits**

In July 2006, Statistics Canada released initial results from the 2004 Canadian Community Health Survey – Nutrition, the first rigorous statistical portrait of Canadian's diets in three decades. During 2004, in face-to-face interviews, over 35,000 people were asked to recall all that they had eaten over a 24-hour period. Not surprisingly, there were significant gaps between Canadian's food intake and recommended intakes to achieve health benefits. Over one-quarter of Canadians aged 31 to 50 obtained more than 35% of their calories from fat, the threshold beyond which health risks increase. Seven out of ten children and half of all adults did not eat the recommended daily minimum of five servings of vegetables and fruit. More than one-third of children aged four to nine did not have the minimum recommended two servings of milk products a day. By age 30, more than two-thirds of Canadians did not have the recommended minimum servings of milk products. Canadians of all ages got more than one-fifth of their calories from food and beverages that are not part of the four major groups. Snacks, that is food and drink consumed between meals, accounted for more calories than breakfast, and about the same calories as lunch. http://www.statcan.ca/english/research/82-620-MIE/82-620-MIE2006002.htm

- **Canadians still gaining weight, but the pace is slowing**

Obesity is a major public health issue due to a rising prevalence in the population and the relationship between obesity and chronic diseases, such as diabetes, osteoarthritis and heart disease. New data from the fifth cycle of the National Population Health Survey released in November, 2006, showed that every two years from 1996-97 until 2004-05 Canadians were heavier on average, however the pace of weight gain has slowed. The deceleration in weight gain observed in the most recent two-year period was related to a decrease in the proportion of men who gained weight and an increase in the amount of weight loss among women who lost weight. The exception was men aged 18-33 who gained more weight on average from 2002-03 to 2004-05 than in the previous two-year intervals. http://www.statcan.ca/english/freepub/82-003-XIE/82-003-XIE2006006.pdf

- **Exposure to second-hand smoke**

Widespread smoking bans in public places appear to have considerably reduced the risk of exposure to second-hand smoke across Canada. Still, millions of Canadians had a regular brush with second-hand smoke according to the 2005 Canadian Community Health Survey (CCHS).The survey, which covered 130,000 people, also showed a substantial decline in the smoking rate, especially among teenagers. Overall, an estimated 5.9 million people, or 22% of the population aged 12 and older, were smokers last year, down slightly from 23% in 2003 and 26% in 2000/2001. The sharpest decline was among young people aged 12 to 17. On the downside, about 15% of non-smokers aged 12 and over told the survey in 2005 that they were exposed to second-hand smoke in a public place regularly, that is, every day or almost every day. This was down from 20% in 2003, but it still represented one out of every seven non-smoking Canadians, or about 3.1 million people. Since the survey was taken, several provinces have passed anti-smoking legislation. http://www.statcan.ca/english/research/82-621-XIE/2006002/smoking.htm

- **Access to primary health care**

Access to first contact services is a key performance indicator established by federal and provincial governments to evaluate progress made in primary health care reform. Data from the 2003 Canadian Community Health Survey showed that 15% of Canadians reported difficulties accessing routine care and 23% reported difficulties accessing immediate care for a minor health problem. The chief reason cited for difficulties in accessing routine care was the availability of a physician or services. Long wait times were the primary barrier to receiving immediate care for minor health problems. Further, Canadians who did not have a regular family physician were more than twice as likely to report difficulties accessing routine health care, compared to those with a regular doctor. However, the study also showed that respondents with a regular family doctor were just as likely to face difficulties accessing immediate care for a minor health problem as were those without a regular family doctor. While it is important to have a regular doctor, the results of the study indicate that having one does not always guarantee that patients will have access to care for all types of services at all times. http://www.statcan.ca/Daily/English/060213/d060213a.htm

- **Caring for diabetes**

Diabetes is currently the seventh leading cause of death in Canada. About 1.3 million Canadians over age 12, 5% of the population, reported that they had been diagnosed with diabetes according to the 2005 Canadian Community Health Survey. Rates were significantly higher than the national average in the eastern provinces. Individuals with diabetes in five provinces – Newfoundland and Labrador, Prince Edward Island, New Brunswick, Ontario and Manitoba – were asked a set of questions to determine how well guidelines for care were followed. One in five diabetic patients had not had their blood glucose tested by a health care professional in the year prior to the survey. A key factor in having this test was access to a regular medical doctor. Most met recommendations for eye examinations, but only half met requirements for annual foot examinations. http://www.statcan.ca/english/research/82-621-XIE/2006002/diabetic.htm

- **Depression and work impairment**

Depression stands out as an important occupational health issue. Data from the 2002 Canadian Community Health Survey, which focused on mental health and well-being, revealed that about half a million Canadian workers experienced depression and 79% of them indicated that the symptoms interfered with their ability to work. About 20% reported a very severe degree of interference. The workers most prone to depression were those who regularly worked evening or night shifts, along with those employed in sales or service. Depressed workers reported an average of 32 days in the previous year when their symptoms left them either unable to carry out normal daily activities or totally unable to work. Further, for workers of both sexes, high stress on and off the job was associated with depression. However, the mental health of male workers was more vulnerable to stress arising from the work environment.

http://www.statcan.ca/english/freepub/82-003-XIE/2006001/articles/depression.htm and

http://www.statcan.ca/english/freepub/82-003-XIE/82-003-XIE2005004.pdf

Research Partnership involving Ministries of Health and Statistics Canada

Performance Criterion: Relevance
Produce information required to meet emerging issues and new challenges

Statistics Canada has been in consultations with provincial and territorial ministries responsible for health care and public health to develop a partnership between these ministries and Statistics Canada for the purpose of undertaking research requiring assembly and linkage of administrative data routinely collected through the health care system within itself and with data collected through Statistics Canada surveys, such as the Canadian Community Health Survey and the National Population Health Survey and with other registry data held at Statistics Canada such as the national Vital Statistics. This joint project is evolving into the Longitudinal Health and Administrative Data (LHAD) Initiative. The Initiative Partners will determine the research agenda that would provide pan-Canadian and comparative information across provinces and territories to improve understanding of relationships among risk factors, socio-economic characteristics, other determinants of health, health status measures and health care utilization.

The first priority for Statistics Canada is to improve identifiable data on hospitalization visits. While the provinces provide CIHI with data on the dates of interventions and records for day surgery and ambulatory care, this information has not been routinely provided to the Agency. Statistics Canada also proposes to begin gathering data for one additional provincial health care record, such as routinely collected and computerized data on prescribed medications. The intention is to enable a range of analysis based on linking these data to health survey data.

Canadian Health Measures Survey

Performance Criterion: Relevance
Produce information required to meet new issues and emerging challenges

To address longstanding limitations within Canada's health information system, Health Canada and the Public Health Agency of Canada have supported Statistics Canada in obtaining funding for the Canadian Health Measures Survey (CHMS), a "direct measures" health survey. Until now, Canada has relied on self-reported information to evaluate the health status of Canadians. The CHMS collects key information relevant to the health of Canadians by means of direct physical measurements such as blood pressure, height, weight, waist circumference, lung function and physical fitness. In addition, the survey collects blood and urine samples to test for infectious diseases, chronic diseases and nutrition and environmental markers. Information from the CHMS will help to evaluate the true extent of such major health problems as diabetes, obesity, hypertension, cardiovascular diseases, and exposure to infectious diseases and to environmental contaminants. Information will be collected from 5,000 Canadians, including children from the age of 6 to adults aged 79, and will be provided at the national level.

Collection began in March 2007 and will be ongoing until late winter 2009. Initial response rates are very good, and data indicate that survey respondents participate in all direct measures for which they qualify. Initial data release is planned for early 2010. Statistics Canada is working with its partners Health Canada and the public Health Agency of Canada to secure on-going funding and to explore options to enhance the scope of high priority indicators of interest to main stakeholders.

Child Centered Family Law Strategy

Performance Criterion: Relevance
Produce information to support informed policy formulation and decision making

In 2003/2004, the Canadian Centre for Justice Statistics (CCJS) embarked upon a five-year project to develop and implement two large microdata surveys: the Survey of Maintenance Enforcement Programs and the Civil Court Survey. Funding was received through Justice Canada's "Child-Centered Family Law Strategy".

During 2006/2007, the CCJS began work on four new implementation projects and by year's end, there were five provinces and territories reporting to each survey. Consultations took place with CCJS' federal-provincial-territorial partners to ensure that the first public release of the Civil Court Survey data in 2007/2008 is responsive to their needs. Data from the Survey of Maintenance Enforcement Programs were released for the second consecutive year as part of an annual publication and considerable progress was made on the development, programming and testing of standard output tables for this survey.
http://www.statcan.ca/Daily/English/070111/d070111b.htm and
http://www.statcan.ca/english/freepub/85-228-XIE/85-228-XIE2007000.pdf

Labour Force Survey

Performance Criterion: Relevance
Produce information to required to meet emerging issues and new challenges

The outputs from the Labour Force Survey (LFS) are highly watched sources of public information particularly through headliner monthly statistics such as the unemployment rate and net employment change. In order to further increase the surveys relevance, and produce new, timely and relevant information on the labour market conditions of Canadians, new content was added to the survey to identify immigrants and Aboriginals living off-reserve. Given the ever-increasing importance of the contributions of these groups to Canada's economic success, the LFS is now able to provide regular information on their labour market performance. This information will enable various levels of government, the media and the public to know, in a timely manner, how well immigrants and Aboriginals are performing in the labour market and how well the labour market is able to utilize their skills.

- **National Aboriginal data**

Starting in late 2003 in Alberta, and then in April 2004 for the rest of western Canada and the northern territories, the LFS added questions to identify Aboriginal respondents living off-reserve with the goal of producing provincial labour market statistics on the Aboriginal population. The first data from this initiative were released in June 2005 and were well received by our provincial clients and the media.

The study found that current trends signal an improvement in the labour market performance of Aboriginal people. Aboriginal people in Western Canada are starting to benefit from increasingly tight labour market conditions, particularly in Alberta and British Columbia. Aboriginal employment increased 23% between 2001 and 2005, twice the rate of growth for non-Aboriginals (11%). Although the data showed a marked improvement from the time of the 2001 Census, the unemployment rate for Aboriginal people remained two and a half times higher than the rate for non-Aboriginal people. Pockets of very high unemployment exist for First Nations, Aboriginal youth, and the lesser educated. The Aboriginal labour market in Saskatchewan was particularly weak.

These Aboriginal data questions were permanently added to the LFS for the remaining provinces beginning in January 2007. While users were extremely pleased by this development, the challenge will be to assess the quality of the new data and barring any data quality issues, plan for the first release of national estimates from the LFS for mid 2008.

- **Expanded territorial coverage – making LFS truly national**

In August 2006, the first results from the Nunavut LFS were released and with this come the thirteenth piece of the LFS. This release presented data for the "Ten Largest Communities" in Nunavut, representing 70% of the territorial population. These new data showed a relatively low employment rate and high unemployment for the territory. The situation is very different in the other two territories, where employment and unemployment are comparable to the western provinces.

Following discussions with the Nunavut Bureau of Statistics to assess the feasibility of expanding territorial coverage, an expansion plan was agreed to that will see coverage increase to approximately 90% of the territory, and is currently planned to begin in January 2008.

Immigrant labour force data

Performance Criterion: Relevance **Produce information to required to meet emerging issues and new challenges**

Working closely with Citizenship and Immigration Canada and Human Resource and Social Development Canada, Statistics Canada added a series of questions to the LFS that would for the first time, collect on-going labour market data on immigrants to Canada. Beginning in January 2006, questions were added to the monthly LFS in order to identify immigrants, to determine when they landed in Canada, and the country in which they received their highest level of education. The first release of LFS immigrant data is scheduled for mid September 2007. This report will include a demographic profile of immigrants as well as the labour market outcomes of core working-age immigrants, by province, selected census metropolitan areas and by sex. The labour market outcomes for immigrant youths and older immigrants will be included, in a addition to a discussion of education-based outcomes, the industries in which these immigrants work, as well as their occupations.

This initial release will be followed by a series of articles on the labour market situation of immigrants and address the following issues: does country or region of origin, or country or region of education shed light on the successes or difficulties of immigrants; are immigrants in jobs that make use of their skills; job quality and wages.

Literacy in official language minorities

Performance Criterion: Relevance **Produce information required to meet new issues and emerging challenges**

A research report was published on literacy in official language minorities. Using 2003 data from the *International Adult Literacy and Skills Survey: Building on our Competencies* (IALSS), the abstract clearly shows that Francophones from outside Quebec do not perform as well as their Anglophone counterparts on tests used to assess their literacy. The situation with Quebec's Anglophone minority is essentially the same as for those in the other provinces. A number of factors account for the differences between Francophones and Anglophones in Canada. For historical and cultural reasons, Francophones have generally been much less educated than their Anglophone counterparts. But while the level of education may explain much of the difference between the language groups, Francophones are less likely than Anglophones to develop good day-to-day reading and writing skills.

Source: *The Canadian Component of the 2003 International Adult Literacy and Skills Survey: The Situation of Official Language Minorities* http://www.statcan.ca/english/research/89-552-MIE/89-552-MIE2006015.pdf

Postcensal Surveys

Performance Criterion: Relevance

Produce information to support informed policy formulation and decision making

- The **Aboriginal Peoples Survey** (APS) and **Aboriginal Children's Survey** (ACS) off-reserve were successfully conducted off reserve. Refusal rates for both surveys were very low, 6% for ACS and 8% for APS. Release of the data is scheduled for the fall of 2008.

  The On-Reserve Aboriginal Peoples and Aboriginal Children's Survey is being discussed with the funding federal departments. Work on the development of an on-reserve component of the APS and ACS progressed slowly due to challenges in securing endorsement by First Nations organizations in the development of this survey. The plan to carry out such a survey continues to be a progressive approach, working over the next four years with First Nation communities willing to participate in the survey.

- The **Postcensal Survey on the Vitality of Official Language Minorities** (SVOLM) completed collection in January 2007. The survey has two main objectives: the first is to collect information about areas that are priorities for official-language minorities, such as education, health and justice; the second is to produce information which will assist various departments and agencies in policy development and program implementation. Collection went well, with an overall response rate of 72.6% (slightly lower than was the targeted 75%). The first data release is planned for December 2007, with subsequent releases to occur in 2008.

  The **Postcensal Survey on Activity Limitations** (PALS) completed collection in February 2007. While overall response rates at 75% are slightly lower than expected (78%), the collection will support the level of dissemination that was planned for this survey. The first data release is planned for December 2007, with subsequent releases to occur in 2008.

Seniors in Canada

Performance Criterion: Relevance

Produce information to support informed policy formulation and decision making

A Portrait of Seniors in Canada was released in February 2007, providing a statistical overview of the demographic characteristics, health and wellness, security, activities and participation of the population aged 65 and over. In addition to documenting variations in the characteristics of 'younger' and 'older' seniors, the report identifies key trends over time.

Some of the highlights from this report are:

- The group referred to as 'seniors' is already very heterogeneous and will become even more so in years ahead as seniors are living longer.
- The number of 'young seniors' – persons aged 65 to 74 -- will almost double over next 20 years, increasing from about 2.3 million to about 4.5 million.
- Likewise, the number of Canadians aged 85 plus will nearly double, rising from about 500,000 in 2006 to about 900,000 in 2026.

- The share of seniors (aged 65+) with a post-secondary credential increased from 18% to 31% between 1990 and 2005. Among the next cohort of seniors (Canadians currently aged 55 to 64) about half have a post-secondary credential.

- The share of women aged 65 to 74 who are widowed declined from 37% to 28% between 1981 and 2001, while the shares who are divorced has increased.

- Rates of low-income have declined markedly among seniors over the past 25 years. The rate of low-income among senior couples declined from 20.1% to 5.4% between 1980 and 2003. The rate among unattached women declined from 72.2% to 41.0%.

- Considering one aspect of physical well-being, the rate of obesity among seniors aged 65 to 74 increased from 20% to 25% between 1978 and 2004 and from 11% to 24% among seniors aged 75 and over. Almost one-third (30%) of 'near-seniors' – persons aged 55 to 64 - are obese, up from 20% in 1978.

- Seniors aged 65 to 74 are engaged in their communities. Three-quarters said they voted in the last federal, provincial and municipal election and 90% follow news/current affairs on a daily basis. Just over half are involved in a formal or informal group or organization that meets regularly.

Source: A *Portrait of Seniors in Canada* (89-519-XIE).
http://www.statcan.ca/english/freepub/89-519-XIE/89-519-XIE2006001.htm

Analysis based on the *General Social Survey*

Performance Criterion: Relevance

Produce information to support informed policy formulation and decision making

- **Transitions from the family home to independence**
  Young adults are leaving the nest later than their parents did. Living within a reconstituted family increases the likelihood of an early departure by 57% for females and 30% for males. Having three or more brothers or sisters also increases the likelihood of leaving home, by 20% for males and 13% for females. Other factors include geographic location, living in a rural or urban area, and education.
  http://www.statcan.ca/english/freepub/11-008-XIE/2006002/pdf/11-008-XIE20060029274.pdf

- **Commuting time**
  The average Canadian now spends close to 12 full days a year commuting between home and work, or 63 minutes a day in 2005. A higher proportion of workers spent more time than in 1998 on the commute between home and work; approximately 25% of workers spent 90 minutes or more on the commute in 2005, while only 17% did in 1992. Commuters who use their own cars for the trip take much less time than those using public transportation. In 2005, most (55%) workers made the trip in under 60 minutes, whereas only 13% of workers taking the bus or metro needed less than an hour – even for similar distances.

http://www.statcan.ca/Daily/English/060712/d060712b.htm

- **Paid and unpaid work**
  The average workday of people aged 25 to 54, including paid and unpaid work, has gotten longer over the past two decades, rising to 8.8 hours in 2005 from 8.2 hours in 1986. More men now add domestic duties onto their paid work, whereas women are spending much more time at the office. Thus, there is still a gap in the allocation of work between men and women, but it is slowly shrinking.
  http://www.statcan.ca/english/freepub/75-001-XIE/10706/art-1.htm

CENSUS STATISTICS

2006 Census of Population

Performance Criterion: Relevance

Produce information to support informed policy formulation and decision making

Census field collection activities were successfully completed on August 31, 2006. While responding to the challenges of the new methodology for the 2006 Census, Statistics Canada kept the guiding principles of quality, timeliness, respondent confidentiality, making better use of technology and reducing the reliance on a large decentralized field workforce at the forefront.

Following the collection of the 2006 Census, regional collection teams successfully completed work on six post-censal surveys including: the Reverse Record Check (used to estimate coverage error), the Aboriginal Peoples Survey, the Aboriginal Children's Survey, the Health and Activity Limitations Survey, the Survey of Vitality of Language Minorities and the Maternal Experiences Survey. Statistics Canada extended the use of the Census call center site in Moncton New Brunswick in order to accommodate the increased workload. As most surveys had larger than anticipated tracing requirements, field collection was extended where necessary to ensure that response rates and quality targets were achieved.

The 2006 Census introduced the most significant ground breaking changes in the way the Census is carried out in some 35 years. These changes responded to pressures that had built up over the past two decades and took advantage of opportunities made possible because of technological advancements, some of which had been pursued in other countries. The Census collection activities in the field were completed on August 31, 2006 and the front-end processing by November 24, 2006. The first census data release, population and dwelling counts, took place on March 13, 2007.

A major objective for the 2006 Census was to reduce the reliance on a large, temporary and decentralized workforce required to complete the census in a very short duration. This led to the 2006 initiative to mail-out questionnaires using a field verified list of addresses, rather than having them dropped off by Census staff. Questionnaires were successfully mailed out to 9.4 million dwellings (70% of all dwellings) across the country. This, along with an internet response option, reduced the need for field staff from the 50,000 that the traditional approach would have required, to 27,000. However, given the strong economy in some parts of the country, especially in parts of Alberta, there were significant challenges in recruiting and retaining field enumerators. Only about 21,000 were hired, of which 17,000 were enumerators and only about a half of the enumerators worked more than 20 hours per week. Measures were taken to ensure that quality and coverage were maintained, including re-allocating staff to areas for short durations to complete field enumeration. In addition, the collection window was extended by six weeks to permit satisfactory completion of the collection phase. This extension caused the population and dwelling release to be scheduled for March 13, 2007, and not for February 2007 as had originally been planned.

The expectation of Canadians to deal with the government via Internet and the on-line initiative was addressed through a highly secure Internet response option that was offered to the vast majority of Canadians. 18.2% or 2.26 million Canadian households chose this manner of responding to the census (above the planned target of 2.1 million). This compared with an Internet filing rate of less than 10% in both Australia and New Zealand in their 2006 Censuses. The internet application worked very well and was very secure, as attested by three independent security audits as well as an external task force headed by Denis Desautels, the former Auditor General of Canada.

In 2006, the Office of the Auditor General conducted an audit of large information technology (IT) projects. The audit report indicated that the 2006 Census Online was one of two projects that met all criteria for well-managed projects.

Concerns raised in previous Censuses over the confidentiality and security of personal information that was received and verified by a "local enumerator", were virtually eliminated by having all responses returned directly to a highly secure centralized Data Processing Centre with no intervening enumerator editing or handling. Teams of enumerators followed-up only with households that failed to return a questionnaire. Data capture from paper questionnaires, performed by Canada Revenue Agency since 1981, was replaced by automated capture techniques. Enumerator edits were automated and follow-up with respondents whose information was deemed to be incomplete, was done through a computer assisted application from 3 regional census help sites. Over 10 million paper forms were scanned producing 110 million images for automated data capture, and integrated with 2.5 million electronic forms for automated editing and coding, in a timeframe of about 5 months and with accuracies meeting or surpassing those achieved in 2001. The Data Processing Centre was run exclusively by STC staff with no major outages of services.

The public communications program was highly effective in conveying the importance of full participation in the Census. The census relies heavily on the public communications support provided by governments, businesses, ethnic and cultural groups and community organizations of all kinds. Estimates indicate that approximately 2,500 public and private sector organizations supported the census in 2006 and that these supporters were responsible for more than 2.4 billion messages about the census going out to Canadians. This widespread support is clearly a reflection of the importance that is attached to Census data.

The population and dwelling counts from the 2006 Census were released on March 13, 2007 (hyperlink below).

http://www.statcan.ca/Daily/English/070313/d070313a.htm

The feedback from this first release was overwhelmingly positive, due largely to the good collaboration with the media prior to the release. This preparatory work with the national media and a concerted effort by regional communication teams lead to high level of coverage on television, radio, on the internet and in print. Efforts were also made to ensure local community and third language media were covered.

The first 2006 Census release showed that between 2001 and 2006, Canada's population increased 5.4%, the first time since 1991 that the census-to-census growth rate has accelerated. This rate of growth was faster than any other member of the G8 group of industrialized nations in the same time period. Two provinces, Alberta and Ontario, were responsible for two-thirds of the increase in Canada's population. Alberta, in the midst of an unprecedented economic boom, led the provinces with a growth rate of 10.6%. Barrie was the fastest growing census metropolitan area (CMA), with Calgary coming in second. In total, the 2006 Census enumerated 31,612,897 people in Canada, compared with 30,007,094 in 2001, a gain of just over 1.6 million individuals since the last census.

Overall, the 2006 Census achieved all of its objectives set out in addressing the challenges long facing the Census. The evaluations and lessons learned are underway and the findings will shape the next Census in 2011, which is expected to build on the successful approach followed in 2006.

Census of Agriculture

Performance Criterion: Relevance

Produce information to support informed policy formulation and decision making

The Census of Agriculture released its farm and operator data (over 300 variables) on May 16, 2007, one year after Census Day. The Census of Agriculture wrapped up validation and certification of the 2006 data in mid-March 2007.

This was the first time operator data were released this early, and also the first time that all data down to the census consolidated subdivision level were available to the general public for free online.

The 2006 Census of Agriculture showed that the number of census farms in Canada continues to drop, declining 7.1% to 229,373 farms over the five year period between censuses. This represents 17,550 fewer farms than in 2001. Yet the drop in farm numbers belies a sector (with some 327,060 operators according to the latest census) that continues to show resilience. The stability of the Canadian agricultural land base between 2001 and 2006, at 167 million acres, is one indication that agriculture continues to adapt. Another sign of adaptation is the increase in the number of farms with gross farm receipts of $250,000 or more (at 2005 constant prices), up 13.8% since 2001, while those with less than $250,000 in receipts declined by 10.5%. For the complete picture of the census results visit the website.
http://www.statcan.ca/english/agcensus2006/index.htm

Work is well underway for the 2011 census, as content consultations within Agriculture Division are already complete and external consultations are planned for October.

Accuracy of Statistical Information

The accuracy of statistical information is the degree to which that information correctly describes the phenomena it was designed to measure. It is usually characterized in terms of statistical estimate errors and is traditionally broken down into two components: bias (systematic error) and variance (random error). It may also be described in terms of the major sources of error that potentially cause inaccuracy: incomplete survey coverage, sampling error, nonresponse (as indicated by response rates), and statistical revision patterns.

Statistics Canada uses a wide range of statistical methodologies and quality assurance practices to manage and control errors. For the more critical statistical information—such as the population counts from the Census of Population, employment and unemployment measures, the Consumer Price Index and measures of economic production—more resources are applied to assure a high degree of accuracy. In addition, all hard copy and electronic data releases undergo 'institutional' quality verification within the Department to ensure that data users obtain sound products. There are, however, limits to the degree of accuracy that can be achieved at a realistic cost. All statistical data, regardless of the source, are subject to some degree of error.

Statistics Canada's Policy on Informing Users of Data Quality and Methodology (www.statcan.ca/english/about/policy/infousers.htm) requires each data release to be accompanied by, or make reference to, descriptions of methodology. The definitions, data sources and methods used for all Statistics Canada's surveys can be accessed on the website: www.statcan.ca/english/concepts/index.htm.

SURVEY COVERAGE

Performance Criteria: Accuracy of Statistical Information
Survey Coverage

Every survey has a target population, which is the set of elements about which information is required. The survey frame is the concrete set of units that delimits, identifies and allows access to the elements of the target population. Coverage errors occur when there are discrepancies between the target population and its corresponding survey frame due to omissions, erroneous inclusions, duplications and misclassifications of units in the survey frame. Such errors may cause a bias in the estimates produced from the survey. The accuracy of survey frames is crucial to the accuracy of survey results.

- **Business Surveys: Business Register Redesign**

The Business Register is a central repository containing all significantly active businesses in Canada, together with contact and classification information for these businesses. The majority of Statistics Canada's economic surveys rely on the Business Register to carry out their activities, particularly with respect to sampling, data collection and the production of estimates. The Register is a key component of the Department's economic statistics program.

The Register's overall structure and technological environment were established more than two decades ago. In 2005-2006, Statistics Canada began a complete redesign of the Register in order to ensure its ongoing capacity to fulfill its mission in the years to come. The primary objectives of this redesign are to simplify and update the concepts as well as the operational processes, to facilitate the use of the Register through the utilization of more modern, user-friendly technology, and to enhance the timeliness of the information included in the Register. This modernization will also help reduce the operating costs of the Register and increase Statistics Canada's capacity to effectively manage the business response burden, which continues to be an ongoing Departmental priority.

The redesign of the Business Register is a three-year project. During its first two years, work progressed as planned at all levels, specifically in the following areas:

- the revision of the conceptual framework,
- the definition of the new operational processes,
- the development of the technological architectures,
- building all of the components of the new Register and their implementation,
- the finalization and start of the implementation of the plan that will allow the surveys to make the transition from the old to the new Register,
- the development of a training program that will be delivered to more than one thousand employees in the Bureau over the coming year as a result the new procedures and technological tools of the new Register.

Completion of the redesign of the Register is anticipated by spring 2008, as planned.

- **Household Surveys**

Many household surveys, including the Labour Force Survey (LFS), make use of a common area frame that covers all of the geography of Canada's provinces and territories, with some exceptions[1]. A sample of geographic areas is randomly selected from this frame. Within the selected areas, households are chosen at random from compiled lists of dwellings and household members are contacted for data collection. Coverage problems can arise if some dwellings are missed in the lists, or if households in selected dwellings fail to report some of their members.

To minimize coverage errors and their effects in household surveys, Statistics Canada relies on a variety of statistical tools and methods, including the Address Register (AR). The AR contains the address, postal code and a geographic location code for 12 million residential dwellings. The main purpose of the AR is to provide information to support the data collection activities of both the Census and household survey programs at Statistics Canada, including the reduction of coverage errors. The majority of addresses on the AR come from current and previous Census enumeration activities. During the inter-censal period, a number of administrative sources of addresses, such as telephone billing files, are also used to supplement the census source.

The most recent redesign of the LFS sample, which was completed in 2004 based on the 2001 Census of population data, includes many methodological innovations aimed at improving both the quality and efficiency of the survey. One such improvement is the expanded use of the Address Register. In addition, the coverage of the LFS is monitored, in part, by comparing the estimate of total population obtained directly from the survey sample to the official population estimates. To minimize the effects of coverage errors, the survey estimates are statistically adjusted so that the published survey results cover the total population.

Some household surveys make use of a telephone frame. This is cost-effective for the vast majority of Canadian households but omits those that either have no telephone or have only cellular phones. Where needed, an area frame is used in combination with a telephone frame to improve coverage.

For surveys aimed at particular subsets of the population (for example, persons within certain age groups) an existing list frame of persons (or households) may be used. Such a list may have been derived from an administrative data source or, in the case of post-censal surveys, from the most recent Census of Population.

- **2006 Census**

While several factors can influence census data accuracy, the accuracy is first affected by the degree to which persons are missed in the census (under coverage) or counted more than once (over coverage). The two coverage studies, the Reverse Record Check and the Census Over coverage Study, are currently underway. The data collection for the Reverse Record Check, a

[1] Indian reserves, members of the armed forces and inmates of institutions are excluded from the Labour Force Survey.

sample survey of 70,000 persons, started in January while the processing for the Census Over coverage Study, which searches for pairs of persons with identical characteristics on the census database, started last November. Preliminary results are expected in March 2008 with the final results in September 2008. The final results serve as a key input into the population estimates program upon which the social transfers and equalization payments to the provinces and territories (estimated at approximately $66.9 billion dollars in 2007-08) are based.

There has been a steady decrease in the number of incompletely enumerated Indian reserves and Indian settlements over the last three censuses nationally, from a total of 77 in 1996, 30 in 2001 and down to 22 in 2006.

SAMPLING ERROR

Performance Criteria: Accuracy of Statistical Information

Sampling Error

Most surveys are based on a sample of the target population. Sampling is an important means of achieving a more effective allocation of resources, ensuring appropriate relevance across programs, yielding more timely results, and in other ways improving data accuracy. Because of sampling, the Department is able to do more with less.

Estimates based on a sample can be expected to vary from sample to sample, and to differ from those that would result from a complete census. The expected size of these variations depends on the sample design, among other factors. Greater reliability is achieved by optimizing these sample designs.

The reliability of each estimate can be measured from the sample data. The measure of reliability that is most frequently provided to users is the 'coefficient of variation' (CV). A low CV means a high degree of statistical confidence in the reliability of the associated estimate. Conversely, a higher CV would mean a lower degree of statistical confidence in the reliability.

The coefficients of variation for the primary estimates or results from the Department's mission critical surveys are presented in Table 2.

Table 2: Coefficients of Variation for Mission Critical Surveys

Mission critical survey[1]	Topic	Coefficient of variation			
		2003-2004	2004-2005	2005-2006	2006-2007
		%			
Labour Force Survey					
Employment	Total employment	0.2	0.2	0.2	0.2
Unemployment	Total unemployment	1.9	1.9	2.0	2.0
Monthly Survey of Manufacturing	Total shipments	0.6	0.6	0.6	0.6
Monthly Wholesale Trade[2]	Total wholesale sales	1.1	0.7	0.8	0.8
Monthly Retail Trade[2]	Total retail sales	1.3	0.6	0.6	0.6
Survey of Employment, Payrolls and Hours	Employees	0.1	0.1	0.1	0.1
Quarterly Financial Survey	Total operating revenue	0.7	0.6	0.6	0.6

Notes:

1. This table omits those mission critical surveys that do not use random sampling in producing their estimates (Consumer Price Index, International Trade and the Industrial Price Index).
2. The Monthly Wholesale and Retail Trade Surveys were redesigned and survey results released starting in fiscal year 2004-2005. A number of improvements were introduced which have lowered significantly the overall coefficient of variation for the surveys. The improvements include lower target coefficients for certain industry trade and geography groups, better sample stratification as a result of improved size measure for the population, enhanced edit procedures at collection and during analysis, and improved statistical treatment of non-response.

The coefficients of variation presented in the table above are all very low and thus the estimates are considered very reliable. This speaks to the importance of these programs. More disaggregated results from these programs would tend to have higher CVs since, typically, as the size of the sub-group of interest decreases, the CVs of the related estimates rise.

RESPONSE RATES

Performance Criteria: Accuracy of Statistical Information

Response rates

The accuracy of the data disseminated by Statistics Canada is directly related to the accuracy of the data provided by the respondents to the Department's surveys and censuses. It follows that an important indication of accuracy is the percentage of respondents asked to provide data who actually do so. Generally, the higher this response rate, the greater will be the accuracy of the survey results.

Overall response rates (expressed as a percentage of total sample) for the Department's mission critical surveys are presented in Table 3 below.

Table 3: Response Rates for Mission Critical Surveys

Mission critical survey[1]	Response rates			
	2003-2004	2004-2005	2005-2006	2006-2007
	%			
Labour Force Survey	93	92	91	93
Monthly Survey of Manufacturing [2]	94	92	95	95
Monthly Wholesale Trade Survey[3]	92	94	92	89
Monthly Retail Trade Survey[4]	93	94	94	92
Survey of Employment, Payrolls and Hours	89	88	89	89
Quarterly Financial Survey[5]	81	84	83	79
Industrial Product Price Indexes[6]	89	87	86	84

Notes:

1. This table omits the Consumer Price Index, International Trade and Quarterly Gross Domestic Product surveys, which do not collect data directly from respondents.
2. In 2004-2005, the lower response rate has been attributed to a number of factors: respondent apathy; consolidation of the Monthly Survey of Manufacturing (MSM) collection to two Regional Offices; transfer of more experienced staff in the Regional Offices to work on the Census of Population; and less experienced staff to work on the MSM.
3. For wholesale trade the decline in 2006-07 is partly the result of temporarily having some large non-respondents.
4. For retail trade the upward revision in 2005-06 as compared to previous observations for that same year is a result of the annual revision process.
5. Response rates for the Quarterly Financial Survey are based on annual averages; the data presented above for the most recent year will improve over time to reflect receipt of late responses and revisions.
6. For the IPPI, the entire time series was revised to reflect a simple or equal weighted response rate to be coherent with what is now the case for the majority of mission critical programs.

It is generally accepted that for most surveys, a 100% response rate is not a practical possibility. The Department ensures that reasonable efforts are made to achieve an acceptable response rate (as well as to obtain accurate responses) while producing timely data without undue burden on respondents and undue costs. Among a variety of methods, this is usually achieved by having good questionnaire design, using tested and proven procedures and operations, providing respondents with information on the purposes of the data collection, following up with non-respondents (for economic and business programs, the main focus of follow-up being the major contributors to the estimates), and making suitable statistical adjustments to the data when complete response is not achieved.

Clearly, obtaining complete and accurate response requires the co-operation and support of respondents. Information is published on the Department's website for survey participants (www.statcan.ca/english/survey/index.htm), explaining what they should expect when they participate in a survey, the importance of the survey, Statistics Canada's commitments for preserving the confidentiality of the information provided and a list of frequently asked questions about the survey.

2006 Census

The quality of the census count is impacted by response to the census. The response rate for the 2006 Census is 96.5%. Despite the many successes for the 2006 Census, this reflects a slight decline from 98.4% in 2001, but follows a consistent downward trend in survey response rates over the past few decades. However, there are other factors that compensate for this drop and act to improve quality, such as responses via Internet where edit failure rates were much lower than on paper responses and use of tax data for respondents who provided consent to use their tax record instead of reporting income data, for 85% of long form respondents likely acted to improve accuracy.

STATISTICAL REVISION PATTERNS

Performance Criteria: Accuracy of Statistical Information
Statistical revision patterns

Economic and socio-economic time series are statistical records of the evolution of economic processes through time, generally compiled for consecutive periods such as months, quarters or years. Time series contribute greatly to understanding both the trends and underlying causes of social and economic phenomena. While revisions to statistical estimates are often necessary, they impact directly on users of statistical information by altering the users' understanding of these phenomena and, in turn, affecting their decision making.

Statistics Canada strives to minimize revisions to statistical estimates by facilitating reporting, ensuring that questionnaires are easily understood, making use of new technology to better accommodate respondents' ability to report, and conducting internal reviews to ensure that collection and data-processing procedures yield effective results.

An incomplete processing cycle is the main reason for revisions. Other planned activities, such as changes to classification systems or modifications to baskets of goods and services on which indices are based, also result in revisions. Revisions to Statistics Canada's series are made with a view to balancing the competing demands of accuracy and timeliness.

Table 4 indicates the average size and range (for 2006 only) of percentage revisions of some key programs. Average size of revision is defined as the absolute percentage revision averaged over the 12 (for monthly surveys) or four (for quarterly surveys) releases during the year. The last revised estimates before annual revisions are used in calculating revision sizes.

Table 4: Revisions of Mission Critical Programs in 2003, 2004 and 2005

Mission critical program[1]	Topic	Frequency	Average size of revision			Range of percentage revision
			2004	2005	2006	2006
					%	
Monthly Survey of Manufacturing	Shipments	Monthly	0.35	0.34	0.30	0.0 to 1.0
International Trade[2]	Total exports	Monthly	0.35	1.23	0.77	-3.01 to 0.90
	Total imports	Monthly	1.10	0.50	0.39	-1.15 to 2.59
Monthly Wholesale Trade	Total wholesale sales	Monthly	0.39	0.34	0.30	-0.40 to 0.67
Monthly Retail Trade	Total retail sales	Monthly	0.23	0.13	0.16	-0.41 to -0.30
Real Gross Domestic Product[3]	GDP	Quarterly	0.12	0.20	0.10	-0.2 to 0.0
Survey of Employment, Payrolls and Hours	Employment	Monthly	0.04	0.03	0.16	-0.74 to 0.26
Quarterly Financial Survey[4]	Operating revenue	Quarterly	0.19	0.20	0.17	-0.24 to 0.28
Industrial Product Price Indexes	Price index	Monthly	0.46	0.20	0.13	0.00 to 0.27

Notes:

1. This table omits those mission critical programs that do not regularly revise estimates (Labour Force Survey and Consumer Price Index).
2. The range of revisions for imports and exports is mainly due to the increased volatility of energy prices that makes preliminary estimates of value more difficult to produce.
3. In previous reports an average revision to Gross Domestic Product was used. In order to be consistent with the other programs the revision to Gross Domestic Product has now been calculated as the average absolute revision.
4. The Quarterly Financial Survey revisions have been updated to reflect the same methodology to calculate revisions used by other mission critical programs.

Timeliness of Statistical Information

The timeliness of statistical information refers to the delay between the end of the reference period to which the information pertains and the date on which the information becomes available. It is typically involved in a trade off against accuracy. The timeliness of survey release is generally quite stable and changes occur over a long period of time. Change is often brought about when surveys undergo major redesigns.

Timeliness is clearly visible to users and easy to track. The choice of a timely target is closely related to relevance since information may not be useful if it is not available on time. Given timeliness targets, two performance measures are useful. The first is the existence of pre-announced release dates—and adherence to these dates—for regular series. The second is improvements in the timeliness achieved on the basis of how long it takes to release the information. However, this measure has to be considered in conjunction with other factors since improvements that are achieved at the expense of accuracy, or at undue cost, may not represent an overall improvement in performance. Clients have consistently preferred to maintain existing timeliness, if improved timeliness implies larger subsequent statistical revisions or a reduced level of statistical detail. Furthermore, users place great emphasis on the predictability of release dates.

Pre-Established Release Dates

Performance Criteria: Timeliness of statistical information
Pre-established release dates for major economic indicators

At the beginning of each fiscal year, Statistics Canada publishes on its website release dates for the coming year for all 29 major economic indicators, by month. These dates can be accessed at the following address: www.statcan.ca/english/Release/index.htm.

In 2006-2007, the Department published a total of 264 releases of these 29 major economic indicators, and all were released as scheduled. In addition, the Department published 1009 other releases for which there was no pre-established release date.

For the 2006 Census, due to the introduction of a number of automated processes, STC envisaged releasing the population and dwelling counts earlier than in 2001 by a few weeks. However, given the tight labour market due to the strong economy in certain areas of the country (in particularly western Canada) and the difficulties that this meant in hiring and retaining field staff, the completion of collection activities was extended by about five weeks. The impact of the extension of Field/Collection activities resulted in the adjustment to the population and dwelling release from an initially planned February 2007 to March 13, 2007, and similar adjustments to the originally published release dates for the other variables (June 2007 to May 2008).

Elapsed Time Between Reference Period and Release Dates

Performance Criteria: Timeliness of statistical information

Measures of elapsed time between reference period and release dates for mission critical surveys

The elapsed time between reference period and release dates for mission critical programs is a timeliness measure that serves to test the relevance of the statistics in terms of the 'freshness' of the information released. Table 5 highlights the timeliness of a selection of major releases.

Table 5: Elapsed time between reference period and release dates of selected mission critical programs

Mission critical program	Frequency	Elapsed Time[1]
Labour Force Survey	Monthly	20 days
Consumer Price Index	Monthly	21 days
Monthly Survey of Manufacturing	Monthly	45 days
International trade	Monthly	42 days
Monthly wholesale trade	Monthly	49 days
Monthly retail trade	Monthly	52 days
Gross Domestic Product	Quarterly	61 days
Survey of Employment, Earnings and Hours	Monthly	59 days
Quarterly financial statistics for enterprises	Quarterly	54 days
Industrial Product Price Indexes	Monthly	30 days

Note:

1. Elapsed time is measured in calendar days and may vary, for example, depending on the number of business days in a given month.

In addition to the mission critical programs noted above, Statistics Canada's Unified Enterprise Statistics (UES) Program (a series of annual business surveys) has seen a continual improvement in the timeliness of releases. When one compares to the 1998 reference year, where 16 of the 18 UES surveys at that time were released no earlier than 18 months after the end of the reference period, the improvements are notable. In recent years, all annual business surveys have a targeted release date within 15 months of the end of the reference period. As of reference year 2003, the number of UES surveys had surpassed 40 and nearly all had met this standard. For reference year 2004, all UES surveys have met the target release dates. Currently, the processing of business surveys has improved substantially to the point where a growing number of surveys (all from the services sector) now release their estimates within 12 months of the end of the reference period.

Accessibility of Statistical Information

As the national statistical agency, Statistics Canada serves a broad range of users —businesses, labour unions, academic institutions, the media, the general public and all levels of government. The Department's overall objective is to make its statistical information widely available in a way that keeps the Canadian public well informed about the social, economic and general conditions in which they live. Most information users fall into two broad categories: by far the largest number acquire their statistical information through the media or are general users of the website at www.statcan.ca. For these users, the Department offers free, user-friendly information. The other category of users consists of either businesses or government organizations that require large-volume, specialized information. The Department charges them on a cost recoverable basis for this service. The Department also provides a single point of access to its products and services through a national contact centre for telephone and e-mail inquiries.

The Department continues to see an increase in the number of users accessing its free products and services as a result of the shift to electronic dissemination which has allowed Statistics Canada as a whole to serve more people than ever before. Students and teachers can access Statistics Canada information through the Learning Resources Module (www.statcan.ca/english/edu/index.htm) of the website. The Data Liberation Initiative (www.statcan.ca/english/Dli/dli.htm) has provided academia with affordable and equitable access to Department data since the program began in 1996. The Research Data Centre (RDC) program is part of an initiative by Statistics Canada, the Social Science and Humanities Research Council (SSHRC) and university consortia and was introduced to help strengthen Canada's social research capacity and to support the policy research community. The Media Room (www42.statcan.ca/smr_r000_e.htm) introduced in 2006 on the Department's website is designed to provide easy access by journalists to products and services offered.

The Department's standards of service to the public (www.statcan.ca/english/about/servic.htm) as well as performance information (www.statcan.ca/english/about/webeval.htm) are published on the website and a departmental contact name is provided for clients not satisfied with the service received. Over the years, the number of complaints received has been minimal. The Status Report on the Service Improvement Initiative in Section IV provides more information on service improvement initiatives at the Department.

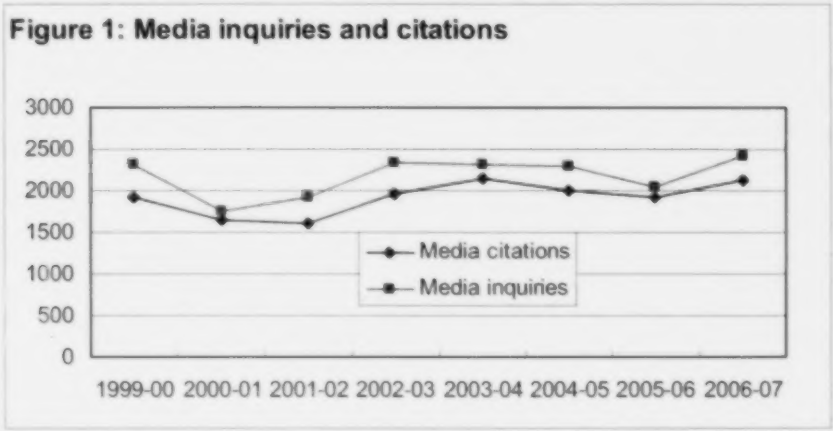
The accessibility of statistical information refers to the ease with which it can be obtained. It is measured in terms of media inquiries and citations and visits and page views on the website.

ACCESS THROUGH THE MEDIA

Performance Criteria: Accessibility of statistical information through the media
Media inquiries and citations

The Department's media monitoring program tracks coverage in 42 major newspapers as well as three national radio and television networks, and also tracks journalist inquiries through the media hotline service. In 2006-2007, media citations averaged 178 per month and media inquiries totalled 202, evidence that the Department's releases continue to enjoy broad coverage in the media. Peak levels of media citations usually coincide with the release of Census data.

Figure 1: Media Inquiries and Citations



The population and dwelling release for the 2006 Census garnered an estimated 35% more media coverage as compared to the equivalent 2001 Census release. For the period from March 12 to March 24, 2007, media coverage included 881 print articles, 941 radio clips and 583 TV clips, all demonstrating the relevancy and credibility of the results, as well as the interest of the general public

ACCESS THROUGH THE INTERNET

Performance Criteria: Accessibility of statistical information through the Internet
Visits and page views on STC website

Statistics Canada's marketing and dissemination effort centres on making its information more accessible to its various users through the Internet and the National Contact Centre. In 2006-2007, the number of visits to the Department website increased 16% from the previous year to just under 20 million and the number of page views increased 27% to 148 million. The number of enquiries received through the toll-free telephone enquiry service, electronic messaging

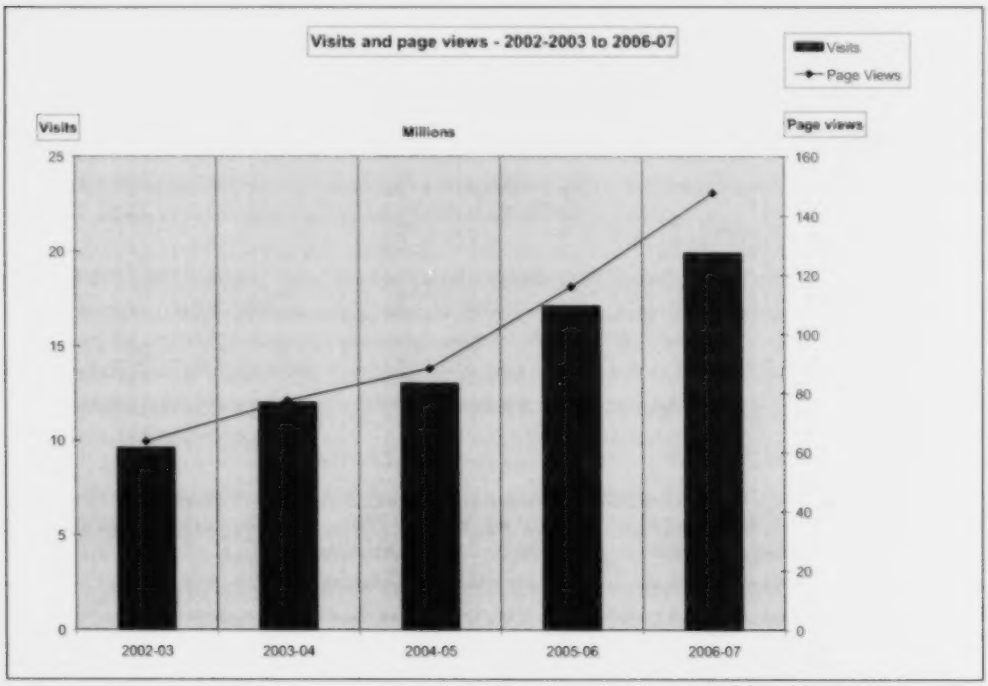
services and e-mail service *Contact Us* declined by 2% to 240,500 enquiries. Part of this decline can be attributed to the increasing use of the website, where people are finding much of the information they need on their own.

Statistics Canada conducts regular website research, including analysis of traffic and information used, usability testing of features and an annual survey of website users satisfaction. Revised guidelines ensure that no new module or application is offered to users without prior user testing to ensure that it meets user needs in terms of content, functionality and user friendliness.

In 2005-2006, 71% of respondents to the survey reported being either satisfied or very satisfied with their overall experience with the site. Students continue to be the most frequent users of the site, with college and university students accounting for 28% of respondents. More detailed information on the website traffic and satisfaction measurement is available directly on line at the following address: www.statcan.ca/english/about/webeval.htm.

The number of total visits and page views on the Department's website has increased constantly since 2002, as indicated in Figure 2 below.

Figure 2: Visits and Page Views from 2002 to 2007



A very high level of traffic was recorded on the STC web-site related to this first release of the population and dwelling counts for the 2006 Census. On March 13th, the day of release, the number of visitors hitting the census related pages was just over 72,000 and the total page views were recorded at over 1.2 million. For that release week (Tuesday to Friday), almost

144,000 visitors viewed over 2.4 million census related web-pages, clearly indicating the wide interest and demand for census results.

Statistics Canada's Website

Statistics Canada's website plays a vital role in ensuring that the Agency's information is accessible by the public. Beginning in 2005, a concerted effort was undertaken to improve the website based on user feedback and needs. As part of this initiative Statistics Canada launched its updated website featuring a redesigned homepage, introduced a uniform look and feel across the website, and improved the search features. The website is now more accessible to visitors with special needs, such as the visually impaired. Integrated access to maps and geographic products through a "Maps and Geography" module has been implemented.

Ensuring that visitors to www.statcan.ca have a high degree of satisfaction is an important goal for Statistics Canada and the introduction of a quality assurance program for all site content is important to achieving this. Workflows are being implemented to ensure that new content and applications are subjected to an intensive quality assurance program including usability, accessibility and functionality testing.

Additionally we are working on improving the classification, integration and management of information on the site to provide better access to data by subject headings and by geographic region. New modules featuring Statistics by subject will be available in August 2007. These will allow integrated access to publications, data tables, survey information etc. by subject and provide quick links to guide users to key resources.

We continue to investigate ways to improve the satisfaction rate for visitors who are using the site search features. New techniques including guided navigation and faceted search will permit easy access to search results through user selected options such as author and subject.

Research Data Centres

Performance Criterion: Accessibility of statistical information

Facilitating statistical research that will illuminate current issues

The partnership between Statistics Canada, the Social Sciences and Humanities Research Council (SSHRC), and the Canadian Institutes of Health Research (CIHR) and the 40 universities that constitute the Research Data Centre (RDC) network is proving to be an effective and important part of the social science research infrastructure in Canada. The core of a body of policy relevant research findings is emerging from the Research Data Centre Program. Approximately 300 articles on topics that are important for the continued development of Canadian Society have been published in a variety of fora, including official government publications, scientific journals and monographs.

Two important additions have been made to the RDC Network. The University of Moncton joined the Network as a centre for research in minority languages in Canada and the University

of Saskatchewan is joining to fill an important gap in access in the Prairie Provinces. This brings the total number of research data centres across Canada to 22.

The RDC Network was successful in obtaining a four year grant from CFI to continue to improve the infrastructure for the centres. The grant will be used to "evergreen" the informatics equipment in the RDCs, to create uniform, consistent and accessible documentation for over 50 data sets held in the RDCs and to strengthen the ties between the centres.

While the number of active projects has remained relatively stable over the past year, the number of researchers continues to increase. It is notable that 1/3 of the 1,600 researchers working in the RDCs are students. This addresses one of the major objectives of the Canadian Initiative on Social Statistics initiative – to train the next generation of quantitative social scientists in Canada. The number of published articles continues to grow. The bibliography of published material that is posted on the Statistics Canada site on the web lists just over 350 works, of which ½ deal with health outcomes and determinants of health of the population, 1/3 focus on economic issues and labour market outcomes and 1/3 focus on the development and progress of children and youth. An additional 170 articles have been submitted for publication and are at various stages of review.

A number of significant additions are being made to the data holdings of the RDCs. First, Statistics Canada will be placing the 2001 Census data in the RDCs in June 2007. This will be followed with data from the 1991, 1996 and 2006 censuses over the next 3 years. Data from the censuses from 1911 to 1951 are also being prepared for the RDCs by the Century Census Research Initiative, a CFI funded project of which Dr. Chad Gaffield is the Principle Investigator. The ultimate goal is to have a continuous series of census data from 1911 to the most current census. The combined collection will represent an immensely important source of data for research on Canadian society, further enriching the body of research that is published from the RDCs.

Interpretability of Statistical Information

The interpretability of statistical information refers to the availability of the supplementary information necessary to interpret and utilize the data appropriately. This supplementary information, known as metadata, normally covers the underlying concepts, variables and classifications used; the methodology of data collection and processing; and indicators of the accuracy of the statistical data. Also, the interpretability of the Agency's statistical products is enhanced by ensuring that their official release in *The Daily* clearly enunciates the main findings of the release in a language that illustrates their relevance and can be easily used by the media in publicizing the results.

AVAILABILITY OF SUPPLEMENTARY INFORMATION

Performance Criteria: Interpretability of statistical information

Availability of supplementary information to interpret and utilize the data appropriately

Statistics Canada's Policy on Informing Users of Data Quality and Methodology requires that a description of the concepts and methodology used in collecting and compiling the data, together with information on the accuracy of the data, be provided with all statistical products. The Agency's primary vehicle for disseminating this information and satisfying the requirements of the policy is the Integrated Metadatabase (IMDB).

The IMDB is the central registry of information on variables, classifications, questionnaires, data sources, statistical methodology and measures of data accuracy for all of the Agency's on-going surveys and statistical programs (approximately 390) as well as the 400 or so that are no longer conducted. For each survey and statistical program included in the IMDB, there are direct links to other Statistics Canada products—such as *The Daily* and the Canadian Socio-economic Information Management system (*CANSIM*) tables, links to other reference periods and a chronology of changes to survey content or methodology back to November 2000. During 2006-2007, the Agency continued to update the content of the database with each new data release as well as improve the completeness and the coherence of metadata across surveys and statistical programs.

The information included in the IMDB, together with other metadata related to the activities of Statistics Canada, are available on Statistics Canada's website in the module *Definitions, data sources and methods:* www.statcan.ca/english/concepts/index.htm.

Coherence of Statistical Information

The coherence of statistical information reflects the degree to which it can be successfully brought together with other statistical information within a broad analytic framework and over time. The use of standard concepts, classifications and target populations promotes coherence, as does the use of common methodology across surveys. Coherence does not necessarily imply full numerical consistency.

USE OF CLASSIFICATION SYSTEMS

Performance Criteria: Coherence of statistical information
Use of classification systems

The use of standard classification systems by surveys and statistical programs ensures rigour and consistency between them, thus making them coherent with one another. The following table highlights the use of various standard classification systems for selected key surveys conducted by Statistics Canada.

Table 6: The Use of Standard Classification Systems in Mission Critical Programs

Mission Critical Program	North American Industry Classification System (NAICS)	Standard Classification of Goods or Harmonized System (SCG or HS)	National Occupational Classification for Statistics (NOC-S)	Standard Geographical Classification (SGC)
Labour Force Survey	✓	N/A	✓	✓
Consumer Price Index[1]	N/A	N/A	N/A	✓
Monthly Survey of Manufacturing	✓	N/A	N/A	✓
International Trade	✓	✓	N/A	✓
Monthly Wholesale Trade Survey	✓	N/A	N/A	✓
Monthly Retail Trade Survey	✓	N/A	N/A	✓
Monthly/Quarterly Gross Domestic Product	✓	✓	N/A	N/A
Survey of Employment, Payrolls and Hours	✓	N/A	N/A	✓
Quarterly Financial Statistics for Enterprises	✓	N/A	N/A	N/A
Industrial Product Price Indexes	✓	✓	N/A	✓

Notes:
✓ Indicates that the classification is used.
N/A Indicates the classification is not applicable.
[1] Given the nature of the survey (pricing the basket of goods), the CPI uses its own classification system for products.

The 2006 Census used the following classification systems for coding write-in responses:

- North American Industry Classification System (NAICS) 2002, for the industry question
- National Occupational Classification – Statistics (NOC-S) 2006, for the occupation question
- Classification of Instructional Programs (CIP) Canada 2000 for the field of study question

In addition, the Standard Geographical Classification (SGC) was used for the 2006 census products.

SELECTED INITIATIVES TO IMPROVE COHERENCE

- **North American Industry Classification System (NAICS) Canada 2007**

The North American Industry Classification System was developed by the statistical agencies of Canada, Mexico and the United States to provide a consistent framework for the collection, analysis and dissemination of industrial statistics. The classification is revised every five years to reflect changes in the economies of the three countries.

For the 2007 revision, major updates were made in the areas of telecommunications and internet services to better represent these rapidly evolving industries. Implementation of the revised classification started in January 2007 and approximately 80% of the Agency's industry statistical programs will report their 2007 data on the basis of the revised classification. Electronic and paper versions of the classification manual and coding tools were released in April 2007. More information about NAICS 2007 is available at: www.statcan.ca/english/Subjects/Standard/naics/2007/naics07-index.htm.

- **North American Product Classification System (NAPCS)**

The North American Product Classification System (NAPCS) is a new, harmonized classification developed jointly by Canada, Mexico and the United States to improve the comparability of their respective national statistics on products (goods and services).

During 2006-2007, the implementation of NAPCS in the Agency's statistical programs continued, where applicable. In particular, questionnaires for the various annual surveys covering service industries have been modified to enable the collection of service outputs on the basis of the new classification with completion set for reference year 2007. The Annual Survey of Manufactures and Logging implemented the goods portion of the classification starting in reference year 2004. The Canadian System of National Accounts has started the work needed for the conversion to NAPCS for the 2007 reference year data. A provisional list of NAPCS products covering most of the service industries was released in June 2007. More information about this new classification is available at: http://stds.statcan.ca/english/napcs/napcs_main.asp.

- **Standard Geographical Classification (SGC) 2006**

The 2006 version of the Standard Geographical Classification was released in October 2006. This version replaces the 2001 edition as the official classification for geographical areas for all the Agency's statistical programs, including the 2006 Census of population and Census of agriculture. The classification contains tables of the names and codes of standard geographical classification units, organized by province and territory and by metropolitan area. It also includes reference maps showing boundaries, names, codes and location of census subdivisions, census divisions, census metropolitan areas, census agglomerations, and economic regions. More information on the SGC 2006 is available at: www.statcan.ca/english/Subjects/Standard/sgc/geography.htm.

- **National Occupational Classification for Statistics (NOC-S) 2006**

The National Occupational Classification for Statistics (NOC-S) 2006 was updated during the review period and released in June 2007. It replaces the 2001 version as the Agency's official classification for occupational data.

A number of occupational titles were added to the revised classification to capture the new jobs and new specializations that have arisen, as well as the new terminology brought by technological changes. As well, occupational descriptions were updated to better reflect the way jobs are now performed. The NOC-S 2006 provides a systematic classification structure that categorizes the entire range of occupational activity in Canada. Its 520 detailed occupations are identified and grouped primarily according to the work usually performed, as determined by the tasks, duties and responsibilities of the occupation.

The NOC-S 2006 was produced in partnership with Human Resources and Social Development Canada. The first statistical data based on NOC-S 2006 will be the occupational data release from Census 2006. The coherence between NOC-S and the recently revised International Standard Classification of Occupation (ISCO) has been improved thereby making comparison of international data to Canadian data easier. More information on the classification is available at: www.statcan.ca/english/Subjects/Standard/soc/2006/nocs06-index.htm.

- **Classification of Instructional Programs (CIP) Canada 2000**

During 2006-2007, CIP 2000 was used to code the field-of-study question in the 2006 Census of population. These data will be released in March 2008. CIP is also used for the coding of field-of-study data in a variety of surveys of postsecondary education such as the Postsecondary Student Information System, and in other socio-economic surveys. CIP is the result of a collaborative effort between Canada and the United States, and its use promotes comparability of education data between the two countries. Discussions are underway to produce a revised version of the classification to be released in 2010. The classification is available at: http://stds.statcan.ca/english/cip/cip_main.asp.

- **On-line Database for North American Transportation Statistics (NATS)**

The North American Transportation Statistics (NATS) database is a unique on-line source, accessible to the public, for comprehensive information on transportation activity. Hosted by Mexico, the database is the result of a tripartite initiative representing the transportation and

statistical agencies of Canada, the United States and Mexico. As the economies of the three NAFTA partners have become more integrated, demand has increased for improved comparability of statistics for key transportation data time series involving these three countries. Available in English, French and Spanish, the database is queried 200-600 times daily with 2300 documents downloaded monthly.

Section III: Financial Performance

Table 7: Comparison of Planned to Actual Spending (including FTE)

($ thousands)	2004-2005 Actual	2005-2006 Actual	2006-2007			
			Main Estimates[1]	Planned Spending	Total Authorities	Total Actuals
Economic Statistics	216,940	190,679	183,968	182,852	204,837	194,871
Social Statistics	151,964	156,149	140,722	139,982	151,651	136,807
Census Statistics	93,849	211,590	276,553	275,968	286,811	287,842
Total	462,753	558,418	601,243	598,802	643,299	619,520
Less: Non-Respendable revenue[2]	800	800	N/A	800	N/A	2,961
Plus: Cost of services received without charge[3]	63,603	62,698	N/A	65,082	N/A	66,611
Total Departmental Spending	525,556	620,316	N/A	663,084	N/A	683,171
Full Time Equivalents	5,436	5,737	N/A	6,242	N/A	6,330

1. Respendable revenue and employee benefit plans are already in the Main Estimates total.
2. Non-respendable revenue consists of all non-tax revenue that will be credited to the Consolidated Revenue Fund.
3. Services received without charge should be consistent with Table 4.

Table 8: Resources by Program Activity

2006-2007									
	Budgetary							Plus: Non-Budgetary	Total
($ thousands) Program Activity	Operating	Capital	Grants	Contributions and Other Transfer Payments	**Total: Gross Budgetary Expenditures**	Less: Respendable Revenue	Total: Net Budgetary Expenditures	Loans, Investments and Advances	
Economic Statistics									
Main Estimates	217,879	0	0	0	**217,879**	33,911	183,968	0	183,968
Planned Spending[1]	216,763	0	0	0	**216,763**	33,911	182,852	0	182,852
Total Authorities[2]	228,257	0	0	0	**228,257**	23,420	204,837	0	204,837
Actual Spending	215,845	0	0	0	**215,845**	20,974	194,871	0	194,871
Social Statistics									
Main Estimates	218,316	0	0	0	**218,316**	77,594	140,722	0	140,722
Planned Spending[1]	217,576	0	0	0	**217,576**	77,594	139,982	0	139,982
Total Authorities[2]	215,239	0	0	561	**215,800**	64,149	151,651	0	151,651
Actual Spending	192,503	0	0	561	**193,064**	56,257	136,807	0	136,807
Census Statistics									
Main Estimates	295,048	0	0	0	**295,048**	18,495	276,553	0	276,553
Planned Spending[1]	294,463	0	0	0	**294,463**	18,495	275,968	0	275,968
Total Authorities[2]	329,242	0	0	0	**329,242**	42,431	286,811	0	286,811
Actual Spending	324,393	0	0	0	**324,393**	36,551	287,842	0	287,842
Total									
Main Estimates	731,243	0	0	0	**731,243**	130,000	601,243	0	601,243
Planned Spending[1]	*728,802*	*0*	*0*	*0*	***728,802***	*130,000*	*598,802*	*0*	*598,802*
Total Authorities[2]	772,738	0	0	561	**773,299**	130,000	643,299	0	643,299
Actual Spending	*732,741*	*0*	*0*	*561*	***733,302***	*113,782*	*619,520*	*0*	*619,520*

1. "Planned Spending" refers to the estimate levels reported in the 2006-07 Report on Planning and Priorities.

2. For the 2006-07 reporting cycle, the "total authorities" row refers to total spending authorities received during the fiscal year, as well as funding received from 2006-07 Supplementary Estimates A and B, TB Vote 5 and TB Vote 10.

Table 9: Voted and Statutory Items

		2006-2007 ($ thousands)			
Vote or Statutory Item	Truncated Vote or Statutory Wording	Main Estimates	Planned Spending	Total Authorities	Total Actuals
	Operating Expenditures	527,140	524,700	569,387	545,609
	Capital Expenditures				
	Grants and Contributions	561	561	561	561
(S)	Contributions to employee benefit plans	73,542	73,542	73,351	73,351
	Total	601,243	598,803	643,299	619,520

Table 10: Services Received Without Charge

($ thousands)	2006-2007
Accommodation provided by Public Works and Government Services Canada	31,318
Contributions covering employers' share of employees' insurance premiums and expenditures paid by Treasury Board of Canada Secretariat (excluding revolving funds). Employer's contribution to employees' insured benefits plans and associated expenditures paid by TBS (8 % of Personnel input factor)	35,093
Worker's compensation coverage provided by Human Resources Development Canada	174
Salary and associated expenditures of legal services provided by Justice Canada	27
Total 2006-2007 Services received without charge	66,611

Table 11: Sources of Respendable and Non-Respendable Revenue

Respendable Revenue

($ thousands)	Actual 2004-2005	Actual 2005-2006	2006-2007 Main Estimates	2006-2007 Planned Revenue	2006-2007 Total Authorities	2006-2007 Actual
Economic Statistics						
Statistical services and products	20,306	27,933	33,911	33,911	23,420	20,974
Social Statistics						
Statistical services and products	44,770	43,064	77,594	77,594	64,149	56,257
Census Statistics						
Statistical services and products	18,551	10,542	18,495	18,495	42,431	36,551
Total Respendable Revenue	83,626	81,539	130,000	130,000	130,000	113,782

Non-Respendable Revenue

($ thousands)	Actual 2004-2005	Actual 2005-2006	2006-2007 Main Estimates	2006-2007 Planned Revenue	2006-2007 Total Authorities	2006-2007 Actual
Economic Statistics						
Statistical services and products	194	274	N/A		N/A	
Social Statistics						
Statistical services and products	428	423	N/A	800	N/A	2,212
Census Statistics						
Statistical services and products	177	103	N/A		N/A	749
Total Non-Respendable Revenue	800	800	N/A	800	N/A	2,961

Table 12: ***User Fees Act***

User Fee	Fee Type	Fee Setting Authority	Date Last Modified	2006-2007					Planning Years		
				Forecast Revenue ($000)	Actual Revenue ($000)	Full Cost ($000)	Performance Standard	Performance Results	Fiscal Year	Forecast Revenue ($000)	Estimated Full Cost ($000)
Statistics Canada Publications	Other Goods and Service - Fee for Post-Manuscript Product	Ministerial Authority to enter into contract	April 1996	630.0	716.8	716.8	Note A	Note A	2007-08 2008-09 2009-10	855.0 755.0 700.0	855.0 755.0 700.0
On-Line Database	Other Goods and Service - Fee for Access	Ministerial Authority to enter into contract	September 2001	510.0	554.0	554.0	Note B	Note B	2007-08 2008-09 2009-10	575.0 550.0 550.0	575.0 550.0 550.0
Access to Information Act requests[1]	Other Goods and Service - Application Fee	Section 11 of the Access to Information Act	1992	0.2	0.4	96.8	Note C	Note C	2007-08 2008-09 2009-10	0.2 0.2 0.2	96.8 96.8 96.8
Total				1,140.2	1,271.2	1,367.6					

Note A:
Standard - Release dates for the next year for all 29 major economic indicators are announced at the beginning of December of each year. They range from 20 to 60 days from the end of the reference month or quarter. Release dates for the next month for all data output are announced at the end of each month. Release dates for annual and occasional data output normally range from 6 to 18 months, depending on the nature of the data collection process.
Results - The Department published a total of 243 releases of the 29 major economic indicators, all as scheduled. Over 95% of the other data output were released as per the dates announced at the end of each month.
Note B:
Standard - New data are to be made available in the CANSIM database every working day at pre-determined pre-announced times. New data are to be made available in the Trade database on a monthly basis at pre-determined pre-announced times.
Results - New data releases took place as per the announced schedule every working day.
Note C:
Standard - Response provided within 30 days following receipt of request; the response time may be extended pursuant to section 9 of the ATIA. Notice of extension to be sent within 30 days after receipt of request. The Access to Information Act provides fuller details: http://laws.justice.gc.ca/en/A-1/index.html.
Results - Continue to meet statutory requirements under ATI legislation.

Statistics Canada is committed to serving it's clients in a prompt, reliable and courteous manner. To this end, the Agency has developed standards of service which it's employees observe in serving our clients. These standards, which are published on the web site and in paper form, make commitments in the following five categories: Availability, Promptness, Fees, Meeting Clients' Needs and Redress Mechanism
http://www.statcan.ca/english/about/servic.htm

1- Access to Information Act Fees Charged for the processing of Access requests filed under the Access to Information Act (ATIA). ATIA requests are presented as a separate fee type. It is Statistics Canada's practice to waive fees where the total owing per request amounts to less than $25.

Table 13: Policy on Service Standards for External Fees

External Fee	Service Standard	Performance Results	Stakeholder Consultation
Statistics Canada Publications	Release dates for the next year for all 29 major economic indicators are announced at the beginning of December of each year. They range from 20 to 60 days from the end of the reference month or quarter. Release dates for the next month for all data output are announced at the end of each month. Release dates for annual and occasional data output normally range from 6 to 18 months, depending on the nature of the data collection process.	The Department published a total of 243 releases of the 29 major economic indicators, all as scheduled. Over 95% of the other data output were released as per the dates announced at the end of each month.	Client Satisfaction Measurement survey conducted with a sample of clients in June 2006. Declared level of satisfaction with service was very high.
On-line Databases	New data are to be made available in the CANSIM database every working day at pre-determined pre-announced times. New data are to be made available in the Trade database on a monthly basis at pre-determined pre-announced times.	New data releases took place as per the announced schedule every working day.	Usability and client satisfaction survey conducted with a sample of clients in early 2005. Declared level of satisfaction with service was very high.
Access to Information Act Fees Charged for the processing of access requests filed under the Access to Information Act (ATIA)	Response provided within 30 days following receipt of request; the response time may be extended pursuant to section 9 of the ATIA. Notice of extension to be sent within 30 days after receipt of request. The Access to Information Act provides fuller details: http://laws.justice.gc.ca/en/showtdm/cs/A-1	Continue to meet statutory requirements under ATI legislation.	The service standard is established by the Access to Information Act and the Access to Information Regulations. Consultations with stakeholders were undertaken by the Department of Justice and the Treasury Board Secretariat for amendments done in 1986 and 1992.
Other Information Standards of service to the public for all Statistics Canada services were announced in early 2006. Consultations on satisfaction with all major central services were conducted in June 2006. Declared levels of satisfaction with all services were very high.			

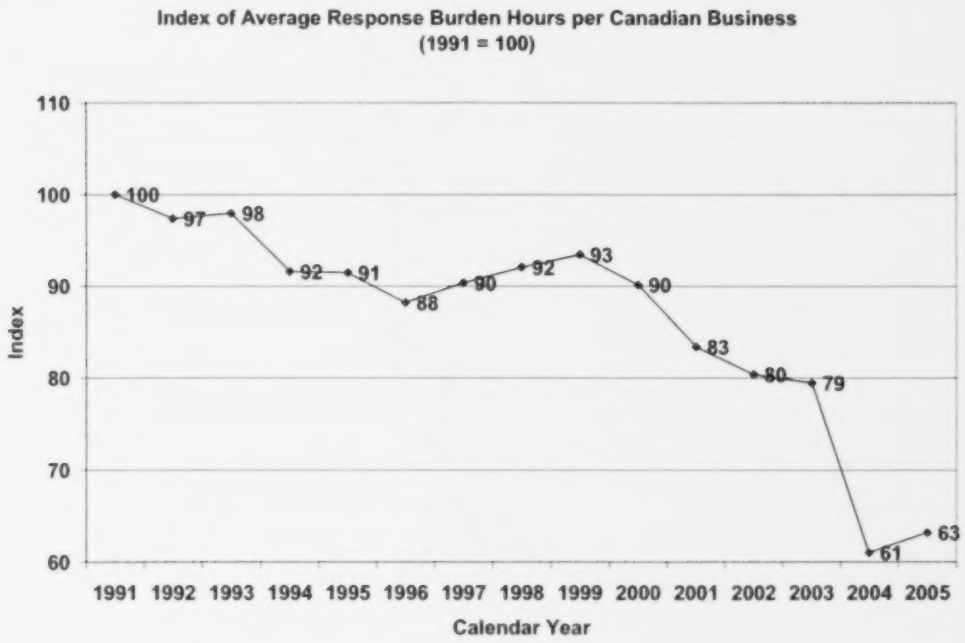
Section IV: Other Items of Interest

Continuing Efforts to Reduce Response Burden

Statistics Canada is strongly committed to reducing the survey burden it places on businesses while maintaining high quality, timely and relevant data. Our ongoing objective is to remove as many businesses from our surveys as possible through greater use of administrative data. Complete elimination remains a challenge as some non-financial variables, particularly in certain industries, are less suitable to estimation from administrative sources. While we are unlikely in the near term to repeat the magnitude of burden reduction made over the last years, the agency continues to research methodologies that would permit us to extend the use of administrative data for more complex businesses. Statistics Canada is one of the fourteen key federal departments and agencies that is participating in the Paperwork Burden Reduction Initiative (PBRI) and will be pursuing opportunities to simplify and further reduce respondent burden. Progress made on this initiative will be reported on next year.

The estimate of response burden hours is calculated annually using the frequency of each survey, the average time to complete the questionnaires, and the number of surveyed respondents. In 2006, total response burden hours remained unchanged from 2005. Note that the quinquennial Census of Agriculture is excluded from the calculations.

While absolute response burden hours have declined by 24% since 1991, over the same period the average burden placed on each Canadian business has declined 39%. The graph below displays the indexed hours of total response burden divided by the estimated total number of Canadian businesses.



The Electronic Data Reporting (EDR) Initiative

Statistics Canada embarked on Electronic Data Reporting (EDR) six years ago. A system was put in place enabling respondents to securely respond to questionnaires through the Internet, along with a Data Return Facility (DRF) allowing selected Statistics Canada partners to provide administrative files trough secure File Transfer Protocol (FTP).

The infrastructure and software supporting this mode of collection are reaching their replacement time.

Last year, a review of the existing system was initiated, along with a detailed documentation of Statistics Canada electronic collection business requirements. This wide-ranging activity resulted in the identification of two core services: (i) an e-Questionnaire service (based on the e-form technology, flexible to accommodate Statistics Canada evolving and diverse survey needs); (ii) an e-File Transfer service (based on the Managed-File-Transfer technology, able to support transfer of large data files using a web-based, no install application). An option

analysis revealed the availability of Commercial-Of-The-Shelf (COTS) software aligning well with both identified services. A number of pilots (internal and with external partners) are scheduled over the fall of 2007.

Other Initiatives

Census Archival Project

In 2005, the Government amended the confidentiality provisions of the Statistics Act with respect to census records. In general terms, the information contained in the returns of each census is now placed under the care and control of Library and Archives Canada ninety-two years after the census is taken (the person to whom the information relates must consent, at the time of the census, to this release for the 2006 and subsequent censuses, but not for prior censuses).

Microfilm is the preferred storage medium of Library and Archives Canada because of its extremely long lifespan; it is less vulnerable to the consequences of rapid technological change and finally, it is economical. Census questionnaires up to and including 1986 had previously been microfilmed, but not subsequent Censuses. So Statistics Canada began last summer a full-scale archival of the 1991, 1996 and 2001 Censuses of Population questionnaires. The goal is to microfilm and index over 30 million questionnaires and 430 million pages of these important historical snap shots of Canada's population.

The timing of the project was influenced in part by the gradual deterioration of the lightweight paper upon which the questionnaires were printed. Of primary concern were the 1991 documents, which have been in storage for 16 years; there was evidence of degradation due to environmental factors, such as mould.

The work itself is being carried out on Statistics Canada's premises over a 2 1/2 year period. The reduced level of security risk that arises from on-site work is an important consideration, as confidentiality is a core priority for us. All aspects of archival work are being undertaken for Census years 1991 and 1996. Processing begins in our high-speed scanning operation where each Census questionnaire is imaged and the image is sent to our new processing lab where they are microfilmed and developed. For 2001 however, only the microfilming stage is needed. In 2001, census questionnaires were imaged on arrival at head office to facilitate processing activities allowing all authorized staff access to the questionnaires with the click of a button.

The census archival project has been fully underway since November 2006, during which time the scanning and microfilm operations have been functioning on day and evening shifts. The accomplishments have been significant and include completion of 2001 microfilming and 1991 imaging. Currently, imaging of 1996 is underway, on-schedule and, under the current plan is expected to be completed by December of this year. Microfilming of 1991 will be complete this fiscal year with 1996 microfilming scheduled for fiscal 2008-2009.

Findings of the Auditor General on the Quality and Reporting of Surveys

In November 2006, the Office of the Auditor General presented its annual report to Parliament. Chapter 3 Large Information Technology Projects examined a sample of large IT projects from four perspectives: governance, business case, organizational capacity and project management. The 2006 Census Online was one of the seven projects included in the sample. This Internet system provided to Canadian households gave Canadians the option of completing their 2006 census questionnaires electronically using the Internet to submit them to Statistics Canada securely and confidentially. The 2006 Census Online met all of the audit criteria for a well managed project. Among the seven projects only another one met all four audit criteria. The OAG's report states: "Statistics Canada thoroughly and successfully assessed the Census 2006 Online project and built its capacity, and that of its partners, to complete the project. By having sound project management and an effective governance framework, Statistics Canada showed good project management for the 2006 Census Online project, which met its requirements on time and within budget."

In August 2006, the Internal Audit Committee approved the report of the "Audit of Central Regional Office (Toronto) Administrative Processes. The objective of this internal audit was to assess the degree of compliance of selected financial and human resources management and other general administrative processes and practices with relevant central agency and departmental regulations, policies and directives. The internal audit team was satisfied that the areas examined were mainly in compliance. In a few areas, a moderate level of risk to the organization was identified. Managers prepared an action plan to address all recommendations of the report. Internal audit will monitor the progress of the plan.

Internal Audit carried out most of the conduct phase of the Audit of 2006 Census related to selected security, administrative and quality practices. In June and July 2006, the audit tem visited the three census help-line sites and eight local census offices. Findings of this audit will be reported in 2007-2008.

Management Accountability Framework Assessment

Statistics Canada has strived over the past years to integrate it's management practices and processes. This approach has focused on the integration of performance monitoring, risks assessment and priority setting and has contributed to a sound program-based management of the Department (which by definition and the make-up of its workforce is highly integrated and professional). This was recently confirmed with the department's Management Accountability Framework assessment where out of the 18 indicators 9 surpassed the federal government norm, 0 were below the norm and 3 indicators called for opportunity for improvement (which were the department's lowest received rating).

Status Report on the Service Improvement Initiative (SII)

Ongoing Monitoring and Reporting of Client Satisfaction

Statistics Canada remains a strong supporter of the SII. Client service standards and research have long been reflected in Statistics Canada's management philosophy and operational practices. The Department contributed its expertise to the research and development of SII

Common Measurements Tool (CMT). All divisions in the Department are required to conduct client-satisfaction research in their regular program reviews. Client-feedback research is a key element of survey-collection activities, since relations with survey respondents are a key determinant of data quality. As increasing numbers of Statistics Canada surveys offer an electronic reporting option, feedback-research activities have also increased. Past research includes research addressing respondent expectations and potential concerns, pre-testing of survey prototypes, feedback collected by client-support services, as well as satisfaction research conducted following deployment of a survey.

The Internet has emerged as the primary distribution channel for the Department's data and information. Data quality standards are applied to all information published electronically. Service standards are posted publicly and are closely monitored by the Department, including the measurement of response burden for survey collection. To further the 2006 review of its standards of service to the public, the Department developed a new Client Relationship Management System in 2006-2007 to enhance client service delivery and facilitate the measurement of service standards. Information sessions were also conducted with program areas during the year to further improve compliance with service standards and share best practices.

Each year, the Department conducts an extensive client-service survey among all internet users and clients, in which interests, expectations and satisfaction levels are measured according to principles reflected in the CMT. Statistics Canada has increased usability testing for products and services. Recently, web research led to a major re-design of the Statistics Canada Internet site. Canadians requiring Statistics Canada information are served through many program areas and centralized service groups. Due to the number and diversity of products, services, and service channels utilized by Statistics Canada, methodologies used to determine client satisfaction are quite diverse. While this diversity precludes aggregate-level satisfaction measurements, the various research activities all share common research dimensions, addressing perceptions of data quality, timeliness, ease-of-access, and general satisfaction. Given the length of time that Statistics Canada has been conducting client satisfaction surveys, program areas can now analyse their progress longitudinally. Stakeholder relations involve ongoing consultations with a wide variety of groups and organizations for which Statistics Canada's survey-taking operations and data-publishing activities have particular interest or impact. These consultations include the Policy Research Initiative, the National Statistics Council, 13 ongoing Advisory and six subject-matter committees, a Federal-Provincial Consultative Council on Statistical Policy, and extensive consultation programs with a wide range of communities to plan Census content and outputs. The 2006 Census consultation on the proposed product line involved high levels of participation of key stakeholders and data users. Continuous client-feedback mechanisms focus on the scope, value and relevance of Statistics Canada data, and the manner in which those data are collected and made available to the public.

As more and more Canadians utilize the Internet for accessing government services as well as participating in consultations with federal departments, Statistics Canada expects consultations with its stakeholders will increasingly be conducted on line, provided that consultations conducted electronically can be broadly accessed and are representative of communities of

interest. In-person meetings, vital to the consultation process, ensure accessibility and will continue to complement the on line approach.

Renewed Standards of Service to the Public

On January 1, 2007, Statistics Canada implemented its renewed Standards of Service to the Public http://www.statcan.ca/english/about/servic.htm . The standards are a true commitment on the part of the Agency and its employees to continue to serve the public with an unwavering dedication to deliver on what we promise: prompt, reliable, courteous and fair service. The service standards address the requirements of the Government of Canada's Policy on Service Standards for External Fees.

The revised standards were developed through an assessment of client service practices and compliance levels with existing service standards within Statistics Canada; a review of standards in other national statistical agencies; and were informed by the results of the Citizens First survey series on the publics' service level expectations from government.

Service Improvement Initiative Award

On January 19th, 2007, the Government On-Line and Service Improvement Initiative Awards and Recognition Event recognized an improvement in the Agency's overall client-satisfaction measurements that exceeded targets established by the Treasury Board Secretariat.

The federal government's Service Improvement Initiative, introduced in 2000, directed departments to establish standards for service delivery, undertake surveys to measure client-satisfaction levels, and report on levels measured in a number of different corporate submissions to Treasury Board. Targets were set calling on departments to improve their client-satisfaction levels by at least 10% by 2005. The Treasury Board Secretariat engaged the independent services of the Institute of Citizen-Centred Services to conduct national, client-satisfaction surveys. In the Institute's benchmark Citizen's First Survey conducted in 1998, Statistics Canada received a 55% 'satisfaction with service quality' rating (2,900 Canadians having completed the survey). In the Institute's 2005 survey, "based on a representative sample of 6,994 Canadians in every province and territory," that rating rose to 62%—an increase of almost 13%, and the basis for the award presented to the Agency.

Management Initiatives

Focus on Renewal – ensuring a sustainable, vibrant and dynamic workforce

To ensure that Statistics Canada will retain a highly qualified and sustainable workforce, the Agency, many years ago, set out a Comprehensive Human Resources Management Strategy, to which this past year it added further mechanisms targeted at renewal and re-engineering:

- A new Recruitment Model that features targeted outreach and marketing, as well as encourages co-op programs, and bridging for students was introduced and a significant

level of new recruits were hired over this period. The Model enables managers to have continuous access to a supply of potential recruits, rather than having access only after the traditional annual recruitment drive.

- To address the risk of potential knowledge gaps in subject matter disciplines, the Agency introduced 'communities of practice' to the apprenticeship programs and aligned the development plans of new recruits within these 'communities of practice'. This change facilitates rotations, increases development opportunities and increases knowledge transfer among related program areas.

- The Agency also introduced an innovative Staffing Model to expedite staffing. The Model provides continuously replenished pools of qualified staff for mid-level generic positions within the ES, CS, MA, SI and CR groups via corporately staffed pools. Steps have been taken to use standardized assessment criteria and assessment tools that, where appropriate, are portable from one selection process to another. Collective Staffing Principles are being articulated and communicated to managers.

- Human Resources planning has been fully integrated with business planning at the corporate level for some time. As part of a broader service improvement program, a new initiative has been launched to provide line managers with key information and dedicated advisory services to enhance strategic HR planning at the local level.

- The Agency's Performance Management Program has undergone significant improvement resulting in a more structured approach and enhanced monitoring at the individual level. Two new policies have been articulated, one on setting objectives and the other on dealing with unsatisfactory performance. In addition, the Agency has launched a web based toolkit to assist managers in managing performance.

Table 14: Legislated Requirements for Statistics Canada

In addition to the *Statistics Act*, the following federal acts give the Chief Statistician or Statistics Canada responsibility for the collection or provision of specific information:

Alberta Natural Resources Act	1930, c.3, as amended
Bank Act	R.S.C., 1991, c. B-1
Canada Council for the Arts Act	R.S.C., 1985, c. C-2
Canada Elections Act	S.C., 2000, c. 9
Canadian Pension Plan Act	R.S.C., 1985, c. C-8
Canadian Pension Plan Investment Board Act	1997, c. 40
Canada Student Financial Assistance Act	1994, c. 28
Canada Student Loans Act	R.S.C., 1985, c. S-23
Canada Transportation Act	1996, c.10, as amended
Canadian Ownership and Control Determination Act	R.S.C., 1985, c. C-20
Children of Deceased Veterans Education Assistance Act	R.S.C., 1985, c. C-28
Competition Act	R.S.C., 1985, c. C-34
Constitutional Act	1867
Constitutional Amendments	1996, c. 1, as amended
Corporations Returns Act	R.S.C., 1985, c. C-43
Customs Act	R.S.C., 1985, c. 1 (2 Supp.)
Department of Health Act	1996, c. 8
Electoral Boundaries Readjustment Act	R.S.C., 1985, c. E-3
Electoral Boundaries Readjustment Suspension Act	1994, c. 19
Employment Insurance Act	1996, c. 23, as amended
Energy Efficiency Act	1992, c. 36, as amended
Energy Monitoring Act	R.S.C., 1985, c. E-8, as amended
Excise Tax Act	R.S.C, 1985, c. E-15 as amended
Federal-Provincial Fiscal Arrangements Act	R.S.C, 1985, c. F-8, as amended
Funding for diagnostic and medical equipment Act	2005, c. 11, s. 7
Governor General's Act	R.S.C, 1985, c. G-9, as amended
Income Tax Act	R.S.C., 1985, c. 1 (5th Supp.)
Industrial and Regional Development Act	R.S.C, 1985, c. I-8, as amended
Judges Act	R.S.C., 1985, c. J-1, as amended
Marine Liability Act	R.S.C., 2001, c. 6, as amended
Northern Pipeline Act	R.S., 1985, c. N-26, as amended
NS, Newfoundland & Labrador Additional Fiscal Equalization Offset Payments Act,	2005, c. 30 , s. 85
Nuclear Fuel Waste Act	R.S.C., 2002, c. 23
Old Age Security Act	R.S.C., 1985, c. O-9, as amended
Patent Act	R.S.C, 1985, c. P-4, as amended
Payments in Lieu of Taxes Act	R.S.C, 1985, c. M-13, as amended
Pension Act	R.S.C, 1985, c. P-6, as amended
Pension Benefits Standards Act	R.C.S. 1985, c. 32 (2nd Supp.)
Provincial Subsidies Act	R.S.C, 1985, c. P-26, as amended
Railway Relocation and Crossing Act	R.S.C, 1985, c. R-4, as amended
Representation Act	R.S.C., 1986, c. 8
Salaries Act	R.S.C, 1985, c. S-3.01, as amended
Supplementary Retirement Benefits Act	R.S.C, 1985, c. S-24, as amended
Telecommunications Act	1993, c. 38, as amended
War Veterans Allowance Act	R.S.C., 1985, c. W-3, as amended

STATISTICS CANADA

FINANCIAL STATEMENTS
March 31, 2007

STATISTICS CANADA

Statement of Management Responsibility

March 31, 2007

Responsibility for the integrity and objectivity of the accompanying financial statements for the year ended March 31, 2007 and all information contained in these statements rests with Statistics Canada's (STC) management. These financial statements have been prepared by management in accordance with Treasury Board accounting policies which are consistent with Canadian generally accepted accounting principles for the public sector.

Management is responsible for the integrity and objectivity of the information in these financial statements. Some of the information in the financial statements is based on management's best estimates and judgment and gives due consideration to materiality. To fulfill its accounting and reporting responsibilities, management maintains a set of accounts that provides a centralized record of STC's financial transactions. Financial information submitted to the *Public Accounts of Canada* and included in STC's *Departmental Performance Report* is consistent with these financial statements.

Management maintains a system of financial management and internal control designed to provide reasonable assurance that financial information is reliable, that assets are safeguarded and that transactions are in accordance with the *Financial Administration Act*, are executed in accordance with prescribed regulations, within Parliamentary authorities, and are properly recorded to maintain accountability of Government funds. Management also seeks to ensure the objectivity and integrity of data in its financial statements by careful selection, training and development of qualified staff, by organizational arrangements that provide appropriate divisions of responsibility, and by communication programs aimed at ensuring that regulations, policies, standards and managerial authorities are understood throughout STC.

The financial statements of Statistics Canada have not been audited.

Ivan P. Fellegi, Chief Statistician
Ottawa, Canada
Date: 2007-08-07

Colleen Falconer, Senior Financial Officer
Ottawa, Canada
Date: 2007-08-07

STATISTICS CANADA

Statement of Operations *(Unaudited)*

For the Year Ended March 31

(in thousands of dollars)

	2007	2006
Expenses (Note 4)		
Economic Statistics	237,904	242,123
Social Statistics	212,968	218,100
Census Statistics	344,427	240,344
Total expenses	**795,299**	**700,567**
Revenues (Note 5)		
Economic Statistics	21,692	28,855
Social Statistics	58,182	44,424
Census Statistics	37,802	10,888
Total revenues	**117,676**	**84,167**
Net Cost of Operations	**677,623**	**616,400**

STATISTICS CANADA

Statement of Financial Position *(Unaudited)*

At March 31

(in thousands of dollars)

	2007	2006
ASSETS		
Financial assets		
Accounts receivable and advances (Note 6)	32,158	4,927
Total financial assets	32,158	4,927
Non-financial assets		
Prepaid expenses	385	520
Inventory	3,595	3,774
Tangible capital assets (Note 7)	89,822	76,851
Total non-financial assets	93,802	81,145
TOTAL	**125,960**	**86,072**
Liabilities		
Accounts payable and accrued liabilities (Note 8)	49,033	74,345
Vacation pay and compensatory leave	26,038	21,712
Deferred revenue (Note 9)	14,450	15,472
Lease obligation for tangible capital asset (Note 10)	881	1,065
Employee severance benefits (Note 11)	79,332	72,582
	169,734	185,176
Equity of Canada	(43,774)	(99,104)
TOTAL	**125,960**	**86,072**

Contingent liabilities (Note 12)
Contractual obligations (Note 13)

The accompanying notes form an integral part of these financial statements.

STATISTICS CANADA

Statement of Equity of Canada *(Unaudited)*

For the Year Ended March 31

(in thousands of dollars)

	2007	2006
Equity of Canada, beginning of year	**(99,104)**	**(71,078)**
Net cost of operations	(677,623)	(616,400)
Current year appropriations used (Note 3)	619,520	558,427
Revenue not available for spending	(3,894)	(2,671)
Change in net position in the Consolidated Revenue Fund (Note 3c)	50,716	(30,278)
Services received without charge from other departments (Note 14)	66,611	62,896
Equity of Canada, end of year	**(43,774)**	**(99,104)**

The accompanying notes form an integral part of these financial statements.

STATISTICS CANADA

Statement of Cash Flow *(Unaudited)*

For the Year Ended March 31

(in thousands of dollars)

	2007	2006
Operating Activities		
Net cost of operations	677,623	616,400
Non-cash items:		
Amortization of tangible capital assets	(21,389)	(22,052)
Loss on disposal of tangible capital assets	(464)	(65)
Services provided without charge	(66,611)	(62,896)
Variations in Statement of Financial Position:		
Increase in accounts receivable and advances	27,231	910
Increase (decrease) in prepaid expenses	(135)	520
Increase (decrease) in inventory	(179)	93
Increase (decrease) in liabilities	15,442	(33,816)
Cash used by operating activities	631,518	499,094
Capital investment activities		
Acquisitions of tangible capital assets	34,823	26,384
Financing activities		
Net cash provided by Government of Canada	(666,342)	(525,478)

The accompanying notes form an integral part of these financial statements

STATISTICS CANADA
Notes to the Financial Statements *(Unaudited)*

1. Authority and Objectives

Statistics Canada was established in 1918 pursuant to the *Statistics Act*. STC received full departmental status by Order in Council in 1965.

Statistics Canada is a division of the public service named in schedule I.1 of the *Financial Administration Act*. The Minister currently responsible for Statistics Canada is the Minister of Industry, who represents STC in Parliament and Cabinet.

Statistics Canada's mandate derives primarily from the *Statistics Act*. The Act requires STC, under the direction of the Minister, to collect, compile, analyze and publish statistical information on the economic, social and general conditions of the country and its citizens. Statistics Canada's mandate also provides for coordination and leadership of the country's statistical system.

From STC's mandate are derived two primary objectives:

- To provide statistical information and analysis of the economic and social structure and functioning of Canadian society as a basis for the development, operation and evaluation of public policies and programs, for public and private decision-making and for the general benefit of all Canadians; and
- To promote the quality, coherence and international comparability of Canada's statistics through collaboration with other federal departments and agencies, with the provinces and territories and in accordance with sound scientific standards and practices.

To facilitate the understanding of Statistics Canada's program activity architecture (PAA), its activities have been grouped into three program activities: Economic Statistics, Social Statistics and Census Statistics. The Economic Statistics provides information and analysis on the entire spectrum of Canadian economic activity, both domestic and international, through a set of macro-economic statistics and focuses on the business and trade sectors of the Canadian economy. The Social Statistics provides information on the economic and social characteristics of individuals, families and households in Canada, and on the major factors which can contribute to their well being. The Census Statistics provides benchmark information on the structure of the Canadian population and its demographic, social and economic conditions.

2. Summary of Significant Accounting Policies

The financial statements have been prepared in accordance with Treasury Board accounting policies which are consistent with Canadian generally accepted accounting principles for the public sector.

Significant accounting policies are as follows:

(a) Parliamentary appropriations – Statistics Canada is financed by the Government of Canada through Parliamentary appropriations. In addition to its yearly parliamentary appropriations, Statistics Canada has the authority to expend revenue received during the fiscal year. Appropriations provided to STC do not parallel financial reporting according to generally accepted accounting principles since appropriations are primarily based on cash flow requirements. Consequently, items recognized in the statement of operations and the statement of financial position are not necessarily the same as those

2. Summary of Significant Accounting Policies (Continued)

provided through appropriations from Parliament. Note 3 provides a high-level reconciliation between the two bases of reporting.

(b) Net Cash Provided by Government – Statistics Canada operates within the Consolidated Revenue Fund (CRF), which is administered by the Receiver General for Canada. All cash received by STC is deposited to the CRF and all cash disbursements made by STC are paid from the CRF. The net cash provided by Government is the difference between all cash receipts and all cash disbursements including transactions between departments of the federal government.

(c) The change in net position in the Consolidated Revenue Fund is the difference between the net cash provided by Government and appropriations used in a year, excluding the amount of non respendable revenue recorded by STC. It results from timing differences between when a transaction affects appropriations and when it is processed through the CRF.

(d) Revenues:

- Funds received from external parties for specified purposes are recorded upon receipt as deferred revenues. These revenues are recognized in the period in which the related expenses are incurred.
- Other revenues are accounted for in the period in which the underlying transaction or event occurred that gave rise to the revenues.
- Revenues that have been received but not yet earned are recorded as deferred revenues.

(e) Expenses – Expenses are recorded on the accrual basis:

- Contributions are recognized in the year in which the recipient has met the eligibility criteria or fulfilled the terms of a contractual transfer agreement.
- Vacation pay and compensatory leave are expensed as the benefits accrue to employees under their respective terms of employment.
- Services provided without charge by other government departments for accommodation, the employer's contribution to the health and dental insurance plans and legal services are recorded as operating expenses at their estimated cost.

2. Summary of Significant Accounting Policies (Continued)

(f) Employee future benefits

i. Pension benefits: Eligible employees participate in the Public Service Pension Plan, a multiemployer plan administered by the Government of Canada. Statistics Canada's contributions to the Plan are charged to expenses in the year incurred and represent the total obligation to the Plan. Current legislation does not require STC to make contributions for any actuarial deficiencies of the Plan.

ii. Severance benefits: Employees are entitled to severance benefits under labour contracts or conditions of employment. These benefits are accrued as employees render the services necessary to earn them. The obligation relating to the benefits earned by employees is calculated using information derived from the results of the actuarially determined liability for employee severance benefits for the Government as a whole.

(g) Accounts receivables are stated at amounts expected to be ultimately realized; a provision is made for receivables where recovery is considered uncertain.

(h) Contingent liabilities – Contingent liabilities are potential liabilities which may become actual liabilities when one or more future events occur or fail to occur. To the extent that the future event is likely to occur or fail to occur, and a reasonable estimate of the loss can be made, an estimated liability is accrued and an expense recorded. If the likelihood is not determinable or an amount cannot be reasonably estimated, the contingency is disclosed in the notes to the financial statements.

(i) Inventories – Inventories are recorded as an asset until issued for consumption or sale, at which time they are expensed. Statistics Canada records two types of inventories:

- Inventories held for re-sale – These are physical items, such as publications and special statistical services, which will be sold in the future in the ordinary course of business to parties outside of the government reporting entity. They are valued at the average production cost.

- Consumable inventories – These are inventories held for future program delivery and not intended for re-sale. They are valued at cost. If they no longer have service potential, they are valued at the lower of cost or net realizable value.

(j) Foreign currency transactions – Transactions involving foreign currencies are translated into Canadian dollar equivalents using rates of exchange in effect at the time of those transactions. Monetary assets and liabilities denominated in a foreign currency are translated into Canadian dollars using the rate of exchange in effect on March 31, 2007.

2. Summary of Significant Accounting Policies (Continued)

(k) Tangible Capital assets – All tangible capital assets and leasehold improvements having an initial cost of $10,000 or more are recorded at their acquisition cost. Statistics Canada does not capitalize intangibles, works of art and historical treasures that have a cultural, aesthetic or historical value, assets located on Indian Reserves and museum collections.

Amortization of tangible capital assets is done on a straight-line basis over the estimated useful life of the asset as follows:

Asset Class	Amortization period
Informatics hardware	5 years
Informatics software	5 years
Other equipment	5 years
Motor vehicles	7 years
Leasehold improvements	25 years
Software under development	Once in service, 5 years
Leased tangible capital assets	Term of lease

(l) Measurement uncertainty – The preparation of these financial statements in accordance with Treasury Board accounting policies which are consistent with Canadian generally accepted accounting principles for the public sector requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses reported in the financial statements. At the time of preparation of these statements, management believes the estimates and assumptions to be reasonable. The most significant items where estimates are used are contingent liabilities, the liability for employee severance benefits and the useful life of tangible capital assets. Actual results could significantly differ from those estimated. Management's estimates are reviewed periodically and, as adjustments become necessary, they are recorded in the financial statements in the year they become known.

STATISTICS CANADA
Notes to the Financial Statements *(Unaudited)*

3. Parliamentary Appropriations

Statistics Canada receives most of its funding through annual Parliamentary appropriations. Items recognized in the statement of operations and the statement of financial position in one year may be funded through Parliamentary appropriations in prior, current or future years. Accordingly, Statistics Canada has different net results of operations for the year on a government funding basis than on an accrual accounting basis. The differences are reconciled in the following tables:

(a) Reconciliation of net cost of operations to current year appropriations used:

	2007	2006
	(in thousands of dollars)	
Net cost of operations	677,623	616,400
Adjustments for items affecting net cost of operations but not affecting appropriations:		
Add (Less):		
Amortization of tangible capital assets	(21,389)	(22,052)
Services provided without charge	(66,611)	(62,896)
Employee Severance Benefits	(6,748)	(5,294)
Vacation pay and compensatory leave	(4,326)	(1,577)
Revenues not available for spending	3,894	2,671
Loss on disposal of tangible capital assets and write-down of inventory	(603)	(119)
Inventory usage	(40)	147
Refunds of previous years expenditures	2,978	4,869
Reversal of previous year prepaid expenses	(520)	–
Adjustment for Justice Canada	(129)	(146)
Leasehold improvements	711	3,853
Leased tangible capital assets (payment less interest)	402	394
Pooled asset acquisitions	2,146	5,647
Software under development	25,211	7,205
Provision for bad debt	–	(9)
	612,599	549,093
Adjustments for items not affecting net cost of operations but affecting appropriations:		
Add (Less):		
Acquisitions of tangible capital assets	6,536	8,814
Prepaid expenses	385	520
Current year appropriations used	**619,520**	**558,427**

3. Parliamentary Appropriations (Continued)

(b) Appropriations provided and used

	2007	2006
	(in thousands of dollars)	
Vote 95 - Operating expenditures	569,948	486,904
Statutory amounts	73,351	72,546
Less:		
Unexpended proceeds from disposal of surplus Crown assets	(31)	–
Lapsed appropriations: Operating	(23,748)	(1,023)
Current year appropriations used	**619,520**	**558,427**

(c) Reconciliation of net cash provided by Government to current year appropriations used

	2007	2006
	(in thousands of dollars)	
Net cash provided by Government	666,342	525,478
Revenue not available for spending	3,894	2,671
Change in net position in the Consolidated Revenue Fund		
Variation in accounts receivable and advances	(27,231)	(910)
Variation in accounts payable and accrued liabilities	(25,312)	19,635
Variation in deferred revenue	(1,022)	6,839
Refunds of previous years expenditures	2,978	4,869
Other adjustments	(129)	(155)
	(50,716)	30,278
Current year appropriations used	**619,520**	**558,427**

STATISTICS CANADA
Notes to the Financial Statements *(Unaudited)*

4. Expenses

The following table presents details of expenses by category

	2007	2006
	(in thousands of dollars)	
Transfer payment - Canadian Institute of Health Information (CIHI)	561	561
Total transfer payment	561	561
Salaries and employee benefits	496,767	464,886
Professional services	126,268	63,113
Services provided without charge	66,611	62,896
Amortization	21,389	22,052
Transportation	18,177	13,787
Telecommunication and postage	16,765	27,305
Repairs and maintenance	16,192	21,545
Materials and supplies	12,905	16,105
Communication and printing	12,745	5,508
Rentals	6,231	2,633
Loss on disposals of tangible capital assets	464	65
Loss on write-down of inventory	139	54
Other	46	16
Interest component on leased tangible capital assets	39	32
Provision for bad debt	–	9
Total operating expenses	794,738	700,006
Total Expenses	**795,299**	**700,567**

STATISTICS CANADA
Notes to the Financial Statements *(Unaudited)*

5. Revenues

The following table presents details of revenues by category:

	2007	2006
	(in thousands of dollars)	
Special statistical services	115,846	81,733
Publications	1,811	2,422
Interest on overdue accounts	19	12
Total Revenues	**117,676**	**84,167**

6. Accounts Receivable and Advances

The following table presents details of accounts receivable and advances:

	2007	2006
	(in thousands of dollars)	
Receivables from other Federal Government departments and agencies	29,148	2,796
Receivables external parties	2,718	2,065
Employees advances	301	75
	32,167	4,936
Less: allowance for doubtful accounts on external receivables	(9)	(9)
Total	**32,158**	**4,927**

STATISTICS CANADA
Notes to the Financial Statements *(Unaudited)*

7. Tangible Capital Assets

(in thousands of dollars)

	Cost				Accumulated amortization					
	Opening balance	Acquisitions	Disposals	Closing balance	Opening balance	Amortization	Disposals	Closing balance	2007 Net book value	2006 Net book value
Informatics hardware	71,146	6,066	16,314	60,898	46,367	9,193	16,275	39,285	21,613	24,779
Informatics software	48,868	11,240	1,812	58,296	22,807	10,900	1,443	32,264	26,032	26,061
Other equipment	5,289	852	139	6,002	3,622	484	86	4,020	1,982	1,667
Motor vehicles	205	917	43	1,079	98	105	41	162	917	107
Leasehold improvements	7,022	802	–	7,824	413	299	–	712	7,112	6,609
Software under development	16,582	14,728	–	31,310	–	–	–	–	31,310	16,582
Leased tangible capital assets	1,682	218	332	1,568	636	408	332	712	856	1,046
Total	**150,794**	**34,823**	**18,640**	**166,977**	**73,943**	**21,389**	**18,177**	**77,155**	**89,822**	**76,851**

Amortization expense for the year ended March 31, 2007 is $21,389,000 (2006 - $19,854,000)

8. Accounts Payable and Accrued Liabilities

The following table presents details of payables and accrued liabilities:

	2007	2006
	(in thousands of dollars)	
Accounts payable external parties	29,827	54,187
Accounts payable other government departments	6,604	8,038
Accrued Salaries and Wages	12,590	12,077
Goods and services tax payable to Canada Revenue Agency	12	43
Total Payables and accrued liabilities	**49,033**	**74,345**

9. Deferred Revenue

Statistics Canada has the authority to expend revenue received during the fiscal year. Deferred revenue represents the balance of unearned revenue stemming from contracts in place for the provision of statistical information. Once the services are delivered, the amount will be transferred to revenue in order to offset related expenditures. Details of the transactions related to this account are as follows:

	2007	2006
	(in thousands of dollars)	
Opening balance	15,472	8,633
Receipts	113,782	81,495
Revenues earned	(114,804)	(74,656)
Closing balance	**14,450**	**15,472**

10. Lease Obligation for Tangible Capital Assets

Statistics Canada has entered into agreements to rent all photocopiers under capital lease with a cost of $1,568,101 and accumulated amortization of $711,571 as at March 31, 2007 ($1,682,141 and $635,589 respectively as at March 31, 2006). The obligations for the upcoming years include the following:

Maturing year	2007	2006
	(in thousands of dollars)	
2007	–	399
2008	377	318
2009	286	230
2010	172	133
2011	88	58
2012 and thereafter	12	–
Total future minimum lease payments	935	1,138
Less : imputed interest (3.19% to 4.26%)	54	73
Balance of obligations under leased tangible capital assets	**881**	**1,065**

11. Employee Benefits

a) *Pension benefits*: Statistics Canada's employees participate in the Public Service Pension Plan, which is sponsored and administered by the Government of Canada. Pension benefits accrue up to a maximum period of 35 years at a rate of 2 percent per year of pensionable service, times the average of the best five consecutive years of earnings. The benefits are integrated with Canada/Québec Pension Plans benefits and they are indexed to inflation.

Both the employees and STC contribute to the cost of the Plan. The 2006-07 expense amounts to $54,059,527 ($50,695,180 in 2005-06), which represents approximately 2.2 times (2.6 in 2005-06) the contributions by employees.

Statistics Canada's responsibility with regard to the Plan is limited to its contributions. Actuarial surpluses or deficiencies are recognized in the financial statements of the Government of Canada, as the Plan's sponsor.

b) *Severance benefits*: Statistics Canada provides severance benefits to its employees based on eligibility, years of service and final salary. These severance benefits are not pre-funded. Benefits will be paid from future appropriations. Information about the severance benefits, measured as at March 31, is as follows:

	2007	2006
	(in thousands of dollars)	
Accrued benefit obligation, beginning of year	72,582	67,288
Expense for the year	12,887	11,202
Benefits paid during the year	(6,137)	(5,908)
Accrued benefit obligation, end of year	**79,332**	**72,582**

In order to measure the March 31, 2007 liability, Statistics Canada used the ratio, determined by Treasury Board, of 23.64% to STC's annual gross payroll at year-end subject to severance pay, which is the payroll related to indeterminate employees. The comparative ratios used to determine the March 31, 2006 and March 31, 2005 liabilities are 23.20% and 21.39% respectively.

12. Contingent Liabilities

Claims and litigation

Claims have been made against Statistics Canada in the normal course of operations. Legal proceedings for claims, which cannot be estimated (no estimation provided in 2006) were still pending at March 31, 2007. Some of these potential liabilities may become actual liabilities when one or more future events occur or fail to occur. To the extent that the future event is likely to occur or fail to occur, and a reasonable estimate of the loss can be made, an estimated liability is accrued and an expense recorded in the financial statements.

STATISTICS CANADA
Notes to the Financial Statements *(Unaudited)*

13. Contractual Obligations

The nature of Statistics Canada's activities can result in some large multi-year contracts and obligations whereby it will be obligated to make future payments when the services/goods are received. Significant contractual obligations that can be reasonably estimated are summarized as follows:

(in thousands of dollars)	2008	2009	2010	2011	2012 and thereafter	Total
Transfer payments	561	561	561	561	–	2,244
Multi-year contracts	12,602	1,856	430	143	12	15,043
Total	**13,163**	**2,417**	**991**	**704**	**12**	**17,287**

14. Related Party Transactions

Statistics Canada is related as a result of common ownership to all Government of Canada departments, agencies, and Crown corporations. STC enters into transactions with these entities in the normal course of business and on normal trade terms. Also, during the year, STC received services which were obtained without charge from other Government departments as presented below:

Services provided without charge:

During the year Statistics Canada received without charge from other departments, accommodation, the employer's contribution to the health and dental insurance plans, worker's compensation and legal services. These services without charge have been recognized in STC's Statement of Operations as follows:

	2007	2006
	(in thousands of dollars)	
Accommodation	31,318	31,022
Employer's contribution to the health and dental insurance plans	35,093	31,661
Worker's compensation	173	198
Legal services	27	15
Total	**66,611**	**62,896**

The Government has structured some of its administrative activities for efficiency and cost-effectiveness purposes so that one department performs these on behalf of all without charge. The costs of these services, which include payroll and cheque issuance services provided by Public Works and Government Services Canada, are not included as an expense in STC's Statement of Operations.